

Exhibit G

Allianz Global Corporate & Specialty®

Allianz Insurance Policy





December 8, 2020

Dear: Aluminum Shapes, LLC

Re: Policy Number: USC010400200

Issuing Company: Fireman's Fund Insurance Company (AN ALLIANZ COMPANY)

Thank you for choosing Allianz as your insurance company. We appreciate the trust you've placed in us. A copy of your commercial insurance policy is enclosed. Be sure to keep it in a secure place that you can easily access if you have a question or claim.

As a valued policyholder, you can count on Allianz for:

Trust and financial stability – Rated A+ by A.M. Best and AA by Standard and Poor's, Allianz Global Corporate & Specialty earns one of the highest financial ratings of the leading global property and casualty insurers.

Exceptional claim service – Allianz has a 125-year reputation for outstanding claim service built on our commitment to honesty, integrity, and partnership with our clients. The company is ranked as "One of the world's most admired companies" by *Fortune*® and "One of the top global brands in the world" by *Interbrand*.

The ability to keep pace as your business evolves – Your business needs are continually changing. Whether you are adopting new technologies or expanding into new geographic markets, Allianz has the expertise and resources to grow with you.

We truly look forward to serving you and supporting your business. In the interim, please know that we deeply appreciate your business.

Best regards,

A handwritten signature in black ink that appears to read "William Scaldaferr".

Bill Scaldaferr

President & CEO
Allianz Global Corporate & Specialty, North America



Fireman's Fund Insurance Company

A Stock Company
225 W. Washington Street, Suite 1800
Chicago, IL 60606-3484

COMMON POLICY DECLARATIONS

Policy No: USC010400200

Previous Policy No: Renewal of USC010400190

Policy Period:

From: 12/04/2020

To: 12/04/2021

Beginning and ending at 12:01 a.m., standard time at the mailing address of the Named Insured shown below.

Named Insured and Mailing Address:

Aluminum Shapes, LLC
9000 River Road
Delair, NJ 08110
USA
(Refer to Named Insured Schedule)

Producer Name and Mailing Address:

Conner Strong & Buckelew Co., Inc.
2 Cooper Street
Camden, NJ 08102
USA

In return for the payment of the premium, and subject to all terms of this policy, we agree with you to provide the insurance as stated in this policy.

Premium Summary

Property	\$ 183,962
Surcharges, Taxes & Fees	
NJ PLIGA	\$ 1,013.55
Total Amount Payable by the Insured	\$ 184,975.55



Policy No: USC010400200
Named Insured: Aluminum Shapes, LLC

Fireman's Fund Insurance Company

Named Insured Schedule

Named Insured
Aluminum Shapes, LLC
Delair Aluminum, LLC

Location Schedule

Location	Address	City	County	State	Zip Code
1	9000 River Rd	Delair	Camden	NJ	08110

Policy No: USC010400200
Named Insured: Aluminum Shapes, LLC

Fireman's Fund Insurance Company

Forms Schedule

The following policy forms and endorsements have been attached to and made a part of the policy at Inception:

Form Title	Form Number
Signature Page	145990 08 17
Policyholder Messages	
Property	
Reporting a Claim	05GE0002 05 16
Important Disclosure Notice Regarding Terrorism Coverage	386360 01 15
Policyholder Message	386636 08 17
Property	
Certified Acts of Terrorism Exclusion	145913 01 15
Property Coverage Section - Declarations	
Property-Gard Pinnacle Coverage Form	250000 01 13
Property-Gard Pinnacle - Additional Covered Causes of Loss	250001 01 13
Property-Gard Pinnacle - Green Coverage Endorsement	250031 01 13
Property-Gard Pinnacle - Combined Dollar Deductible	250033 01 13
Property-Gard Pinnacle - Equipment Breakdown Coverage Endorsement	250048 01 13
Property-Gard Pinnacle - Conditional Vacancy Exclusion	250050 01 13
Property-Gard Pinnacle - Crisis Management Coverage	250062 01 13
Property-Gard Pinnacle - Combined Dollar Deductible - Specified Causes of Loss	250065 01 13
Property-Gard Pinnacle - New Jersey State Exception Endorsement	250111 01 13
Property-Gard Pinnacle - Data Compromise Coverage	250133 10 17

SIGNATURE PAGE

IN WITNESS WHEREOF, the Company indicated on the Declarations Page of the policy has caused the policy to be signed by its President and Secretary.



Secretary



President



Reporting a Claim

Allianz Global Corporate & Specialty is committed to providing insureds and clients with effective claim service.

In the event of an incident which may result in a claim, an annual claim, or your receipt of suit papers, please follow the procedures outlined below.

PROCEDURES FOR REPORTING CLAIMS

NOTICE OF EACH INCIDENT, CLAIM OR SUIT SHOULD IMMEDIATELY BE REPORTED TO:

Allianz Global Corporate & Specialty

Phone Number: 1-888-347-3428

or

Fax Number: 1-800-511-3720

Please fill out the online claim reporting form which is available at www.agcs.allianz.com/usclaims or send an email to CIFNOL@ffic.com. For assistance contact your agent or broker.



Important Disclosure Notice Regarding Terrorism Coverage - 386360 01 15

This notice applies to the type(s) of insurance provided under this policy that are subject to the Terrorism Risk Insurance Act, as amended ("The Act"). You are hereby notified that under The Act, you have a right to purchase insurance coverage for losses arising out of **certified acts of terrorism**, as defined in Section 102(1) of The Act. The term **certified act of terrorism** means any act or acts that are certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, as amended, to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property; or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of an air carrier or vessel or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

YOU SHOULD KNOW THAT WHEN COVERAGE IS PROVIDED BY THIS POLICY FOR LOSSES RESULTING FROM **CERTIFIED ACTS OF TERRORISM**, SUCH LOSSES MAY BE PARTIALLY REIMBURSED BY THE UNITED STATES GOVERNMENT UNDER A FORMULA ESTABLISHED BY FEDERAL LAW. HOWEVER, YOUR POLICY MAY CONTAIN OTHER EXCLUSIONS WHICH MIGHT AFFECT YOUR COVERAGE, SUCH AS AN EXCLUSION FOR NUCLEAR EVENTS. UNDER THE FORMULA, THE UNITED STATES GOVERNMENT GENERALLY REIMBURSES 85% THROUGH 2015; 84% BEGINNING ON JANUARY 1, 2016; 83% BEGINNING ON JANUARY 1, 2017; 82% BEGINNING ON JANUARY 1, 2018; 81% BEGINNING ON JANUARY 1, 2019 AND 80% BEGINNING ON JANUARY 1, 2020 OF COVERED TERRORISM LOSSES EXCEEDING THE STATUTORILY ESTABLISHED DEDUCTIBLE PAID BY THE INSURANCE COMPANY PROVIDING THE COVERAGE. THE PREMIUM CHARGED FOR THIS COVERAGE IS PROVIDED BELOW AND DOES NOT INCLUDE ANY CHARGES FOR THE PORTION OF LOSS THAT MAY BE COVERED BY THE FEDERAL GOVERNMENT UNDER THE ACT.

YOU SHOULD ALSO KNOW THAT THE TERRORISM RISK INSURANCE ACT, AS AMENDED, CONTAINS \$100 BILLION CAP THAT LIMITS U.S. GOVERNMENT REIMBURSEMENT AS WELL AS INSURER'S LIABILITY FOR LOSSES RESULTING FROM **CERTIFIED ACTS OF TERRORISM** WHEN THE AMOUNT OF SUCH LOSSES IN ANY ONE CALENDAR YEAR EXCEEDS \$100 BILLION. IF THE AGGREGATE INSURED LOSSES FOR ALL INSURERS EXCEEDS \$100 BILLION, YOUR COVERAGE MAY BE REDUCED.

Our records indicate that you previously rejected coverage for losses arising out of **certified acts of terrorism**, as defined by The Act, when we provided you a quote for insurance. Accordingly, your policy does not currently provide this coverage. However, The Act requires that we again make an offer at this time. If you wish to change your decision and purchase terrorism coverage, you must contact your agent or broker representing the Allianz Global Risks US Companies and request coverage so we can provide you with a new quote. If you do not do so, it will be presumed that you have rejected this offer of terrorism coverage.

Please note that any coverage mandated by applicable Standard Fire Policy Laws or Workers Compensation laws in your state will not be affected by your rejection of terrorism coverage.

This offer of coverage for losses due to terrorist acts, as defined by The Act, if accepted, will be subject to the limit(s), terms and conditions of any policy or endorsement subsequently issued.

If you have any questions about this or any other insurance matter, please contact your agent or broker representing the Allianz Global Risks US Companies.

This Form must be attached to Change Endorsement when issued after the policy is written.
One of the **Allianz Global Risks US Companies** as named in the policy.



Policyholder Message

386636 08 17

Important Information for Policyholders

If you have questions about your policy, please contact your independent agent or broker. If you have additional questions, you can contact the company issuing the policy listed on your Declarations page at the following address:

Allianz Global Risks US Insurance Company
225 W. Washington Street, Suite 1800
Chicago, IL 60606-3484

Toll Free Telephone: 1-(888) 466-7883

Toll Free Telephone for Claims: 1-(800) 870-8857

Website: <http://www.agcs.allianz.com/>

Website Address for Support Services: <http://www.agcs.allianz.com/global-offices/united-states/support-services/>

The information above supersedes any other Company contact information you may have received with your policy.



PROPERTY



Certified Acts of Terrorism Exclusion - 145913 01 15

Policy Amendment(s) Commercial Property Coverage

This endorsement modifies insurance provided under the following:

Commercial Crime Coverage Part(s)

Commercial Inland marine Coverage Part(s)

Commercial Property Coverage Part(s)

Farm Coverage Part(s)

Standard Property Policy

American Business Coverage Policy - Section I

I. Certified Acts of Terrorism Exclusion

We will not pay for loss, damage, or any liability caused directly or indirectly by a **certified act of terrorism**. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

II. Coverage for Certain Fire Losses

A. 1. If the location of your Covered Property or Property Insured is within a jurisdiction that has a Standard Fire Policy law that does not exempt Commercial Inland Marine, item II.B. (below) further modifies insurance under the following coverage parts:

Commercial Inland Marine Coverage Part(s)

Commercial Property Coverage Part(s)

Farm Coverage Part(s)

Standard Property Policy

American Business Coverage Policy - Section I

2. If the location of your Covered Property or Property Insured is within a jurisdiction that has a Standard Fire Policy law that exempts Commercial Inland Marine, item II.B. (below) further modifies insurance under the following coverage parts:

Commercial Property Coverage Part(s)

Farm Coverage Part(s)

Standard Property Policy

American Business Coverage Policy - Section I

B. If a **certified act of terrorism** results in fire, then we will pay for the loss or damage caused by that fire. Such coverage for fire applies only to direct loss or damage by fire to Covered Property or Property Insured. Therefore, for example, the coverage does not apply to insurance provided under Business Income and/or Extra Expense coverage forms or endorsements which apply to those forms, or to the Legal Liability Coverage Form, or the Leasehold Interest Coverage Form, or the Net Leasehold Coverage Form.

C. Notwithstanding II.B. above, if aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act, as amended, exceed \$100 billion in a calendar year and we have met our insurer deductible under the Terrorism Risk Insurance Act, as amended, then we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.



III. Application of Other Exclusions:

The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any loss which would otherwise be excluded under this Coverage Part, Coverage Section, or Policy, such as losses excluded by the Nuclear Hazard Exclusion or the War And Military Action Exclusion.

IV. Definitions

The following definition is added with respect to the provisions of this endorsement:

Certified act of terrorism means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, as amended, to be an act of terrorism pursuant to such Act, as amended. The criteria contained in that Act for a **certified act of terrorism** include the following:

- A. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act, as amended; and
- B. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

V. All other terms and conditions of the policy remain unchanged.



PROPERTY COVERAGE SECTION - DECLARATIONS

- These Declarations (together with the Common Policy Declarations and Policy Conditions, Coverage Form(s) and any Endorsement(s), complete this policy.)
- If a coverage shown in the Declarations does not show a corresponding Limit of Insurance, then no insurance is provided for such coverage.
- If "0", "N/A", or "not covered" appears as a Limit of Insurance in the Declarations for a described coverage, then no insurance is provided for such described coverage.
- If the term "included" appears as a Limit of Insurance in the Declarations for a described coverage, then the Limit of Insurance for such coverage is included within, not in addition to, the applicable Limit of Insurance shown in the Declarations for Business Real Property, Business Personal Property, or Business Income and Extra Expense.
- If one or more numbers are shown in the Location(s) column of these Declarations, then each number represents that specific location(s) as displayed on the Common Policy Declarations. If the word "**ALL**" is shown in the Location(s) column shown in these Declarations, then such word means **Locations 1** as displayed on the Common Policy Declarations

Property-Gard Pinnacle Coverage Form (250000 01 13)

Limits of Insurance

Location(s)	Subject(s) of Insurance	Limit of Insurance	Limit Type	Actual Cash Value
ALL	Business Real Property, Business Personal Property	\$ 192,100,000	Blanket	No
ALL	Business Income, Extra Expense	\$ 35,000,000	Blanket	No

Business Income and Extra Expense Coverage Includes Ordinary Payroll unless limited or excluded below:

Business Personal Property Subject to Sublimits of Insurance

Subject of Insurance	Location(s)	Sublimits
Accounts Receivable	ALL	\$ 5,000,000
Data, Media, Software	ALL	\$ 5,000,000
Personal Effects	ALL	\$ 1,000,000
Personal Property of Others	ALL	\$ 2,500,000
Prototypes	ALL	\$ 1,000,000
Research and Development Documentation	ALL	\$ 1,000,000
Valuable Papers and Records	ALL	\$ 5,000,000

Deductibles

Property-Gard Pinnacle - Combined Dollar Deductible (250033 01 13)

The Combined Dollar Deductible shown below Applies to the following Location(s)	
Location(s)	Combined Dollar Deductible
ALL	\$ 100,000

Extensions of Coverage

Property Damage	Location(s)	Limit of Insurance	Deductible
Consequential Loss Assumption Coverage	ALL	\$ 250,000	Policy Deductible
Contract Penalty Clause Coverage	ALL	\$ 250,000	Policy Deductible
Debris Removal Coverage			
Debris of Property Insured	ALL	\$ 10,000,000	No Deductible
Debris of Property Owned by Others	ALL	\$ 250,000	Policy Deductible
Extended Warranty Coverage	ALL	\$ 250,000	Policy Deductible
Fine Arts Coverage			
Miscellaneous Unscheduled Fine Arts			
Any One Item, Pair or Set	ALL	\$ 50,000	Policy Deductible
Per Occurrence or Loss Event	ALL	\$ 250,000	Policy Deductible
Fine Arts while at an Exhibition, Exposition, Fair, or Trade Show	ALL	\$ 50,000	Policy Deductible
Fire Department Service Charge Coverage	ALL	\$ 250,000	Policy Deductible
Fire Equipment Protection Coverage	ALL	\$ 250,000	No Deductible
Installation Coverage	ALL	\$ 250,000	Policy Deductible
Loss Avoidance or Mitigation Coverage	ALL	\$ 250,000	No Deductible
Mobile Communication Equipment Coverage	ALL	\$ 250,000	Policy Deductible
Money and Securities Coverage	ALL	\$ 250,000	Policy Deductible
Money Orders and Counterfeit Currency Coverage	ALL	\$ 250,000	Policy Deductible
Realty Tax Coverage	ALL	\$ 250,000	Policy Deductible
Removal of Property Coverage	ALL	\$ 250,000	No Deductible
Reward Coverage			
Any One Person	ALL	\$ 10,000	No Deductible
Per Occurrence or Loss Event	ALL	\$ 250,000	No Deductible
Salesperson's Samples Coverage	ALL	\$ 250,000	Policy Deductible
Tenant's Lease Agreement Coverage	ALL	\$ 250,000	Policy Deductible
Theft of Precious Commodities Coverage	ALL	\$ 250,000	Policy Deductible

Business Income and Extra Expenses	Location(s)	Limit of Insurance	Deductible	Miles or Days
Business Access Coverage	ALL	\$ 2,500,000	24 Hour(s)	3 Mile(s)
Civil Authority Coverage	ALL	\$ 2,500,000	24 Hour(s)	3 Mile(s)
Delayed Occupancy Coverage	ALL	\$ 1,000,000	Policy Deductible	
Expediting Expense Coverage	ALL	\$ 1,000,000	No Deductible	



Extensions of Coverage, Continued

Business Income and Extra Expenses	Location(s)	Limit of Insurance	Deductible	Miles or Days
Extended Business Income and Extra Expense Coverage				
Business Income Coverage	ALL		No Deductible	365 Day(s)
Extra Expense Coverage	ALL		No Deductible	365 Day(s)
Leasehold Interest Coverage	ALL	\$ 1,000,000	Policy Deductible	
Research and Development Operations Coverage	ALL	\$ 1,000,000	Policy Deductible	
Tenant Moving Coverage	ALL	\$ 1,000,000	Policy Deductible	
Dependent Property Coverage		See Below	See Below	

Property, Business Income and Extra Expenses	Location(s)	Limit of Insurance	Deductible
Communicable Disease Coverage			
Per Occurrence or Loss Event	ALL	\$ 1,000,000	Policy Deductible
Annual Aggregate	ALL	\$ 1,000,000	
Fungus Remediation Coverage	ALL	\$ 1,000,000	Policy Deductible
Loss Adjustment Expense Coverage	ALL	\$ 1,000,000	Policy Deductible
Newly Acquired Location Coverage	ALL	\$ 10,000,000	Policy Deductible
Ordinance or Law Coverage - Coverage A through E		See Below	See Below
Outdoor Trees, Shrubs, Plants, and Lawn Coverage			
Any One Tree, Shrub, Plant, or Lawn	ALL	\$ 2,500	No Deductible
Per Occurrence or Loss Event	ALL	\$ 250,000	Policy Deductible
Pollutant Cleanup Coverage			
Per Occurrence or Loss Event	ALL	\$ 500,000	Policy Deductible
Annual Aggregate	ALL	\$ 500,000	
Trade Show Coverage	ALL	\$ 1,000,000	Policy Deductible
Transit Coverage			
Your Vehicles	ALL	\$ 1,000,000	Policy Deductible
Carriers for Hire	ALL	\$ 1,000,000	Policy Deductible
International Air Shipments	ALL	\$ 1,000,000	Policy Deductible
Unintentional Property Errors and Omissions Coverage	ALL	\$ 2,500,000	Policy Deductible
Unnamed Location Coverage	ALL	\$ 10,000,000	Policy Deductible
Utility Services Coverage	ALL	\$ 10,000,000	
Business Income Deductible			24 Hours
Overhead Transmission Lines and Equipment: Included			

**Ordinance or Law Coverage**

Location(s)	Coverage A	Coverage B & C Blanket	Coverage D	Coverage E
ALL	Included	\$ 10,000,000	\$ 5,000,000	\$ 1,000,000

Dependent Property**Unscheduled Dependent Property**

Dependent Property Address	Blanket Per Occurrence Limit(s) of Insurance	Time Element Deductible	Time Element Minimum Deductible
Unscheduled	\$ 5,000,000	24 Hour(s)	\$ 10,000

Endorsements**Property-Gard Pinnacle - Additional Covered Causes of Loss (250001 01 13)****Earth Movement**

Location(s)	Limit Type	Per Loss Event	Annual Aggregate
ALL	Blanket	\$ 10,000,000	\$ 10,000,000

Fire Protection Equipment Leakage from Earth Movement

Location(s)	Limit Type	Per Loss Event	Annual Aggregate
ALL	Blanket	\$ 10,000,000	\$ 10,000,000

Flood

Location(s)	Limit Type	Per Loss Event	Annual Aggregate
ALL	Blanket	\$ 10,000,000	\$ 10,000,000

Property-Gard Pinnacle - Combined Dollar Deductible - Specified Causes of Loss (250065 01 13)

The Combined Dollar Deductible shown below applies at the following Location(s) and to the following Covered Causes of Loss		
Location(s)	Covered Causes of Loss	Combined Dollar Deductible
ALL	Earth Movement	\$ 100,000
ALL	Fire Protection Equipment Leakage from Earth Movement	\$ 100,000
ALL	Flood	\$ 100,000

Property-Gard Pinnacle - Green Coverage Endorsement (250031 01 13)

Green Upgrade Valuation		
Location(s)	Limit Type	Limit of Insurance
ALL	Blanket	\$ 100,000


Property-Gard Pinnacle - Green Coverage Endorsement (250031 01 13), Continued

Certified Green Valuation		
Location(s)	Limit Type	Limit of Insurance
ALL	Blanket	\$ 100,000

Extensions of Coverage

Description of Coverage	Sublimits of Insurance
Green Certification Upgrade Coverage	\$ 25,000
Vegetated Roof and Heat Island Effect Coverage	Refer to Outdoor Trees, Shrubs, Plants and Lawns Coverage
Professional Design Consulting Coverage	\$ 25,000
Commissioning Expense Coverage	
Commissioning or Retro-Commissioning Services	\$ 25,000
Test and Balance Analysis	\$ 25,000
Certification Fees Coverage	\$ 25,000
Recycling Additional Expense Coverage	\$ 25,000
Flush-Out Coverage	\$ 25,000
Green Financial Incentive Coverage	\$ 25,000
Porous Paving Coverage	\$ 25,000
Green Mobile Equipment Coverage	\$ 25,000
Miscellaneous Green Property Coverage	\$ 25,000

Property-Gard Pinnacle - Equipment Breakdown Coverage Endorsement (250048 01 13)

Equipment Breakdown Coverage is subject to the Limits of Insurance shown in the Property-Gard Pinnacle - Equipment Breakdown Coverage Endorsement - 250048, except as specifically shown below. If no limit is shown below, then the limit shown in the Property-Gard Pinnacle - Equipment Breakdown Coverage Endorsement - 250048 will apply.

Equipment Breakdown Coverage Limits of Insurance	
Coverage Description	Limit of Insurance Per Accident
Property Insured	Follows Applicable Limit
Business Income Coverage	Follows Applicable Limit
Extra Expense Coverage	Follows Applicable Limit
Expediting Expense Coverage	\$ 5,000,000
Hazardous Substance Coverage	\$ 1,000,000
Perishable Stock Coverage	\$ 1,000,000
Data Restoration Coverage	\$ 1,000,000
Service Interruption Coverage	\$ 1,000,000
Fungus Remediation Coverage	Follows Property Limits of Insurance

**Property-Gard Pinnacle - Equipment Breakdown Coverage Endorsement (250048 01 13), Continued**

Equipment Breakdown Coverage Deductibles		
Deductible Description	Deductible Per Accident	Minimum Time Element Deductible
Property Insured	\$ 100,000	
Time Element Loss	1 Times ADV	\$ 100,000

Special Provisions

Except Extrusion Presses 5 Times ADV

===== OTHER CONDITIONS =====

Spare Parts Restriction Applies - See Endorsement.

Interruption of Service Waiting Period: 24 Hours

Miscellaneous Unnamed Locations Limit: \$10,000,000

(Applies to locations you own or lease that are not listed on the Schedule of Locations.)

"Covered equipment" does not include any oven, stove, furnace, incinerator, pot or kiln, but does include equipment mounted on or used solely with an oven, stove, furnace, incinerator, pot or kiln.

Property-Gard Pinnacle - Crisis Management Coverage (250062 01 13)

Extensions of Coverage Applicable only to Business Income and Extra Expense Coverage			
Coverage Description	Limit of Insurance	Deductible Time Element Loss	Minimum Time Element Deductible
Crisis Event Response Communication Cost			
Per Occurrence or Loss Event	\$ 50,000	No Deductible	
Annual Aggregate	\$ 50,000		
Crisis Event Business Income and Extra Expense Coverage			
Per Occurrence or Loss Event	\$ 50,000	24 Hours	\$ 100,000
Annual Aggregate	\$ 50,000		
Post Crisis Event Expense Coverage			
Per Occurrence or Loss Event	\$ 50,000	No Deductible	
Annual Aggregate	\$ 50,000		

Property-Gard Pinnacle - Data Compromise Coverage (250133 10 17)

Data Compromise Coverage		
Coverage Description	Limit of Insurance	Deductible
Forensic Information Technology Review Coverage Sublimit	\$ 10,000	
Legal Review Coverage Sublimit	\$ 10,000	

**Property-Gard Pinnacle - Data Compromise Coverage (250133 10 17), Continued**

Data Compromise Coverage		
Coverage Description	Limit of Insurance	Deductible
Public Relations Services Coverage		
Promotion Cost Per Any One Affected Individual	\$ 15,000	
Public Relations Services Coverage Sublimit	\$ 15,000	
Regulatory Fines and Penalties Coverage Sublimit	\$ 100,000	
Payment Card Industry Fines and Penalties Coverage Sublimit	\$ 100,000	
Named Detrimental Code Sublimit	\$ 50,000	
Per Personal Data Compromise Event	\$ 100,000	\$ 2,500
Data Compromise Annual Aggregate	\$ 100,000	

Property-Gard - Pinnacle® Coverage Form - 250000 01 13

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Property-Gard Pinnacle® Coverage Form - 250000 01 13

Commercial Property Coverage Section

This Property-Gard Pinnacle Coverage Form - 250000 (hereinafter referred to as "Coverage Form"), together with its Declarations and endorsements, complete the coverage provided under the Commercial Property Coverage Section of this Policy.

- Insurance is provided only for those coverages for which an entry is shown by an X on the applicable line and for which Limits of Insurance are shown in the place provided in the Declarations attached to this Policy. Such Declarations are issued with and are a part of this Coverage Form.
- If the Declarations do not show a Limit of Insurance providing a specific Coverage or Coverage Extension, then such Coverage or Coverage Extension is not provided by this Policy even though the language for such Coverage or Coverage Extension may appear within the Policy.
- Various provisions in this Coverage Form restrict coverage, such as but not limited to the following sections: Property Not Insured, Exclusions, Limitations of Coverage, and Limits of Insurance.
- Section XII. Loss Conditions describe your duties in the event of a loss and other provisions which apply to loss settlement under the Commercial Property Coverage Section.
- Section XIII. General Conditions describe the conditions that apply in common to all coverage provided within the Commercial Property Coverage Section.
- Endorsements describe enhancements in coverage or restrictions in coverage which may amend this Coverage Form or the Declarations.
- State Exception or State Amendatory Endorsements alter coverage provided under the Commercial Property Coverage Section in accordance with state law.

The titles of paragraphs contained in this Coverage Form and the subsequent endorsements that make up the Commercial Property Coverage Section are inserted solely for the convenience of reference and shall not be deemed in any way to limit or affect the provisions to which they relate.

Throughout the Commercial Property Coverage Section the words you and your refer to the Named Insured shown on the Declarations. The words we, us and our, refer to the Company providing this insurance.

Other words and phrases that appear in **bold face** have special meaning. Refer to the Definitions Section of this Coverage Form or the Additional Definitions Section located within any endorsements that may be attached which make up the Commercial Property Coverage Section.

Read the entire Policy carefully to determine rights, duties and what is and is not covered.

This Form must be attached to Change Endorsement when issued after the policy is written.
One of the Allianz Global Risks US Companies as named in the policy.

Secretary

President



I. Property Coverage

- A. If a Limit of Insurance for Business Real Property or Business Personal Property is shown in the Declarations, then we will pay for direct physical loss or damage to **Property Insured** while at a **location**, including such property in the open (or in a **Vehicle** in the open) within 1,000 feet of such **location**, caused by or resulting from a **covered cause of loss** during the Policy Period.
- B. We insure **Property Insured**:
 - 1. Which you own;
 - 2. In which you have an insurable interest; or
 - 3. Which you lease or rent from others under a written agreement.For coverage to apply to property leased or rented from others, you must be legally or contractually required to provide property insurance covering such property.
- C. The following types of **business personal property** are subject to Sublimits of Insurance shown in the Declarations:
 - 1. **Accounts receivable**;
 - 2. **Data, media, and software**;
 - 3. **Personal effects**;
 - 4. **Personal property of others**;
 - 5. **Prototypes**;
 - 6. **Research and development documentation**; and
 - 7. **Valuable papers and records**.The Sublimits of Insurance applicable to the types of **business personal property** shown above are the most we will pay for loss or damage to such property. If more than one Sublimit of Insurance applies to the lost or damaged property shown above, then the Sublimit of Insurance most specifically applicable to such property will apply.

II. Business Income and Extra Expense Coverage

- A. If a Limit of Insurance for Business Income and Extra Expense is shown in the Declarations, then we will pay for the actual loss of **business income** and necessary **extra expense** you sustain due to the necessary **suspension** of your **operations** during the **period of restoration** arising from direct physical loss or damage to property at a **location**, or within 1,000 feet of such **location**, caused by or resulting from a **covered cause of loss**.
- B. If a Sublimit of Insurance is shown in the Declarations applicable to a type of **business personal property** listed in Item I.C. above, then any payments under Business Income and Extra Expense, made necessary due to the loss or damage of such types of **business personal property**, are included within and not in addition to such Sublimit of Insurance.

III. Property Not Insured

This Coverage Form does not insure any of the following property:

- A. Land or land values; destabilization of land; or the cost of stabilizing, restoring, or remediating of land; air; or water; except **processing water**.
- B. Digging, excavating, backfilling, filling, compaction, or grading of land not directly related to the repair, rebuilding, or replacement of **business real property**.
- C. Growing crops; standing timber; or outdoor trees, shrubs, plants, or lawns; except to the extent such coverage may be specifically provided by Item V.F.6. Outdoor Trees, Shrubs, Plants, and Lawn Coverage in this Coverage Form, if the Declarations show that you have such coverage.



- D. Live eggs, embryos, or animals, except animals owned by others while in your care, custody, or control, or animals you sell as stock.
- E. Bullion, accounts, notes, bills, evidences of debt or title, letters of credit, or deeds, except to the extent such coverage may be specifically provided by **business personal property** for **valuable papers and records** in this Coverage Form, if the Declarations show that you have such coverage.
- F. **Fine arts, money, securities, or salesperson's samples** except to the extent such coverage may be specifically provided by:
 1. Item V.D.5. Fine Arts Coverage;
 2. Item V.D.11. Money and Securities Coverage; or
 3. Item V.D.16. Salespersons Samples Coverage;in this Coverage Form, if the Declarations show that you have such coverage(s).
- G. Aircraft, spacecraft, satellites, watercraft while afloat, and any property contained therein.
- H. **Vehicles** including **vehicles** held for sale.
- I. Dams, dikes, tunnels, trestles, air-supported structures, underground mines, mine shafts, caverns, caves, and any property contained therein.
- J. Property which you have sold under conditional sale, trust agreement, installment payment or other deferred payment plan, or property which you have retained a security interest after delivery to customers.
- K. Contraband or property in the course of illegal transportation or trade.
- L. Confidential information of another person or entity which is held by you including, financial information, medical information, personal information, credit card information, or other similar non-public information.
- M. Property which is more specifically described and covered under another Coverage Section of this Policy or under any other Policy.

IV. Exclusions

- A. Exclusions Applicable to all Coverages: We will not pay under Property Coverage, Business Income and Extra Expense Coverage, or any Extensions of Coverage, for any loss, damage, or expense caused directly or indirectly by or resulting from any of the following excluded causes of loss; such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss:
 1. Regardless of how the cause of loss occurs, we will not pay for direct physical loss, damage, or expense caused by or resulting from the following causes of loss:
 - a. Boiler Explosion

Explosion, implosion, bursting, burning, bulging, or cracking of boilers, turbines, engines, or any unfired vessel normally subject to vacuum or internal pressure, including piping, or apparatus attached to and forming a part thereof; or any other internal condition or event occurring inside such equipment. This exclusion does not apply to explosion of gases or fuel within the furnace of any fired vessel, or within the flues or passages through which the gases of combustion pass.
 - b. Collapse

Collapse. This Collapse exclusion only applies if **collapse** is caused by or results from **flood** or **earth movement**.
 - c. Consequential Loss, Loss of Market, and Other Indirect Losses
 - (1) Delay, loss of use, loss of market, loss of occupancy;
 - (2) Suspension, lapse, or cancellation of any contract;
 - (3) Delay in completion of contract terms or noncompliance with contract terms or conditions;

- (4) Any guarantee or warranty (express or implied);
 - (5) Loss of bonuses, fines, penalties, or liquidated damages; or
 - (6) Any other consequential, indirect, or remote loss of any kind.
- d. **Detrimental Code**
- Detrimental Code.** This Detrimental Code exclusion applies regardless of how the **Detrimental Code** was introduced or acquired.
- e. **Disappearance or Shortages**
- (1) The disappearance of covered property ("covered property" here and hereinafter refers to property not excluded or limited from coverage in this Coverage Form) where there is no physical evidence to show what happened to such property; or the only evidence of loss is an audit, an inventory computation, or a profit and loss computation; or any combination thereof.
 - (2) Where you have independently established that you have sustained an otherwise insurable loss under this Coverage Form, then you may offer your audit, inventory computation, profit and loss computation, or any combination thereof in support of the amount of loss claimed.
- f. **Dishonesty**
- (1) Dishonest, fraudulent, or criminal acts or omissions by you, any of your partners, **members**, **managers**, officers, directors, trustees, employees (including leased employees), authorized representatives, or anyone to whom you entrust property for any purpose:
 - (a) Acting alone or in collusion with others; or
 - (b) Whether or not occurring during the hours of employment.
 - (2) This Dishonesty exclusion does not apply to:
 - (a) Covered property that is entrusted to others who are bailees or carriers for hire; or
 - (b) Acts of vandalism or destruction by any of your employees (including leased employees), but theft by any of your employees (including leased employees) is not covered.
- g. **Fungus**
- Fungus.** This Fungus exclusion does not apply to **fungus** caused by or resulting from fire, explosion, or lightning, provided that such causes of loss are **covered causes of loss** under this Coverage Form.
- h. **Mortality and Disease**
- Mortality, death by natural causes, disease, sickness, any condition of health, bacteria, or virus.
- i. **Ordinance or Law**
- The enforcement of any **ordinance or law**, except to the extent such coverage may be specifically provided by Item V.F.5. Ordinance or Law Coverage in this Coverage Form, if the Declarations show that you have such coverage.
- j. **Testing**
- (1) Hydrostatic, pneumatic, or gas pressure testing; or
 - (2) Electrical insulation breakdown testing of any type of electrical equipment.
- k. **Voluntary Parting**
- Voluntary parting with any property by you or anyone else to whom you have entrusted the property if induced to do so by any fraudulent scheme, trick, device, or false pretense; or unauthorized instructions to transfer property to any person or any place.
- l. **War and Military Action**



- (1) War, including undeclared or civil war;
 - (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government sovereign, or other authority using military personnel or other agents; or
 - (3) Insurrection, rebellion, revolution, usurped power or action taken by governmental authority or military authority, whether de jure or de facto, in hindering or defending against any of these.
2. If a cause of loss which is excluded below causes or results in a **covered cause of loss**, then we will pay for the direct physical loss or damage caused by or resulting from such **covered cause of loss** up to the Limits of Insurance stated in the Declarations:
- a. Computer Fraud
 - Theft** of any property, regardless of ownership, arising from the use of any computer.
 - b. Errors, Omissions, Acts, or Decisions
 - Errors or omissions in, or faulty, inadequate, or defective:
 - (1) Manufacturing, processing, installation, research or development, or testing operations;
 - (2) Accounting, bookkeeping, calibrating, copying, developing, distributing, math, record-keeping, billing, erasure, or the alteration of such errors or omissions;
 - (3) Development of, programming of, or instructions to: **Data, media, or software; electronic data processing equipment; mobile communication equipment; voice communications systems**; or any other machinery or equipment;
 - (4) Specifications; design; planning; zoning; development; surveying; siting; grading; compaction; maintenance; workmanship; repair; or materials used in repair, construction, renovation, or remodeling except if **collapse** is caused by or results from this cause of loss, but only if such cause of loss is hidden or is not known by you prior to such **collapse**; or
 - (5) Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body other than you;
 - which results in loss or damage to **Property Insured** under this Coverage Form.
 - c. Mechanical Breakdown
 - Mechanical breakdown however caused, including any malfunction of machinery or equipment caused by or resulting from any:
 - (1) Rupture or bursting caused by centrifugal force; or
 - (2) Condition or event within machinery or equipment.
 - d. Insects, Animals, or Other Vermin
 - Insects, animals, or other vermin including any:
 - (1) Nesting or infestation; or
 - (2) Discharge or release of any secretions or waste products.
 - This exclusion does not apply if **collapse** is caused by or results from this cause of loss, but only if such cause of loss is hidden or is not known by you prior to such **collapse**.
 - e. Pollution
 - (1) The actual, alleged, or threatened discharge, dispersal, seepage, migration, release, or escape of **pollutants**.
 - (2) If the discharge, dispersal, seepage, migration, release, or escape of **pollutants** is caused by or results from a **covered cause of loss**, then we will pay for the direct physical loss or



damage caused by the actual contact of the pollutant with covered property up to the Limits of Insurance stated in the Declarations.

i. Theft of Precious Commodities

Theft of jewelry comprised of precious or semi-precious stones, metals, or alloys; precious or semi-precious stones, metals or alloys; watches or watch movements; furs, fur garments, or garments trimmed with fur.

g. Utility Supply Failure

The reduction, interruption, or failure of **utility services**, however caused.

h. Wear and Tear, Deterioration, Latent Defect, or Other Developing Losses

The action or effects of:

- (1) Smog, smoke, fumes, vapors, dust, or other developing losses such as **pollutants** from agricultural smudging or industrial operations;
- (2) Wear and tear, deterioration, decomposition, inherent vice, hidden or latent defect, any quality in property that causes it to damage or destroy itself, erosion, rust, oxidation, corrosion, decay, wet or dry rot, except if **collapse** is caused by or results from this cause of loss, but only if such cause of loss is hidden or is not known by you prior to such **collapse**;
- (3) Depletion, leakage of contents, or spillage;
- (4) Cracking, settling, sagging, bending, bulging, shifting, or leaning;
- (5) The pressure or impact of ice forming under floors or foundations;
- (6) Water, ice, or impact of watercraft on retaining walls, bulkheads, docks, piers, pilings, wharves and property located thereon;
- (7) Spoilage or contamination;
- (8) Exposure to light;
- (9) Change in color, flavor, texture, or finish;
- (10) Evaporation or dissipation;
- (11) Shrinkage or expansion;
- (12) Any refrigerant including ammonia; or
- (13) Condensation, vapor, moisture, humidity, changes in humidity, dampness or dryness of atmosphere, changes in or extremes of temperature, all whether atmospheric or not.

3. If fire or explosion is a **covered cause of loss** under this Coverage Form, and fire or explosion results from the causes of loss excluded below, then we will pay for the direct physical loss or damage caused by such fire or explosion up to the Limits of Insurance stated in the Declarations:

a. Earth Movement

Any **earth movement**. This Earth Movement exclusion does not apply to Transit Coverage.

b. Flood

Flood. This Flood exclusion does not apply to Transit Coverage.

4. If fire is a **covered cause of loss** under this Coverage Form, and fire results from the cause of loss excluded below, then we will pay for the direct physical loss or damage caused by such fire up to the Limits of Insurance stated in the Declarations:

Electrical Arcing



- a) Artificially generated electrical, magnetic, or electromagnetic energy that damages, disrupts, or otherwise interferes with any:
 - (1) Electrical or electronic wire, device, appliance, system, or network; or
 - (2) Device, appliance, system, or network utilizing cellular or satellite technology.
 - b) For the purpose of this exclusion, electrical, magnetic, or electromagnetic energy includes but is not limited to:
 - (1) Electrical current, including arcing;
 - (2) Electrical charge produced or conducted by a magnetic or electromagnetic field;
 - (3) Pulse of electromagnetic energy; or
 - (4) Electromagnetic waves or microwaves.
5. Nuclear Hazard

Nuclear reaction, nuclear radiation, or radioactive contamination, however caused. If nuclear reaction, nuclear radiation, or radioactive contamination results in fire, then we will pay for the direct physical loss or damage caused by or resulting from such fire up to the Limits of Insurance stated in the Declarations but only if there is a statute in effect in the jurisdiction where the loss or damage occurs that expressly prohibits us from excluding such ensuing loss or damage caused by fire.

6. Government Action

Actions or orders of any governmental agency or military authority, whether de jure or de facto, that result in:

- a. You incurring expenses you would not otherwise have incurred;
- b. You paying taxes, fines, or penalties; or
- c. Seizure or destruction of covered property.

If fire is a **covered cause of loss** under this Coverage Form, and acts of destruction are ordered by a governmental or military authority in order to prevent the spread of a fire, then we will pay for the direct physical loss or damage to covered property caused by or resulting from such acts of destruction up to the applicable Limits of Insurance stated in the Declarations.

B. Exclusions Applicable to Business Income and Extra Expense Coverage: We will not pay for any loss or expense under Business Income and Extra Expense Coverage or any Extensions of Coverage, caused by or resulting from:

- 1. Damage to or destruction of **finished stock** or the time required to reproduce **finished stock**. This exclusion does not apply to **extra expense**.
- 2. Any increase in loss caused by or resulting from:
 - a. Delay in rebuilding, repairing, or replacing property or resuming **operations** due to interference at the location of loss by strikers or other persons.
 - b. (1) Suspension, lapse, or cancellation of any license, lease, rental agreement, or contract.
(2) However, if the suspension, lapse, or cancellation is directly caused by a **suspension of operations** which is caused by or resulting from a covered loss, then we will cover your loss of **business income** and **extra expense** incurred during the **period of restoration**. If Extended Business Income and Extra Expense Coverage applies, then we will also cover the **period of restoration** in accordance with the terms of such coverage provided below under Item V.E.6.
 - c. The **extra expense** you incur for the demolition or removal of debris.



- d. Any period of time during which your **operations** could not have been conducted or were not expected to have been conducted had no loss or damage occurred.

V. Extensions of Coverage

- A. The Extensions of Coverage are subject to the terms and conditions of this Coverage Form and the Policy to which it is attached. If the Declarations do not show a Limit of Insurance providing a specific Coverage Extension, then such Coverage Extension is not provided by this Policy even though the language for such Coverage Extension may appear within the Policy.
- B. We will not pay under Business Income and Extra Expense Coverage or consequential loss of any kind or nature following a covered loss sustained under the Extensions of Coverage unless specifically provided within an Extension of Coverage. If an Extension of Coverage does grant Business Income and Extra Expense Coverage, then such coverage will be governed by the terms and conditions of Business Income and Extra Expense Coverage provided under this Coverage Form.
- C. Unless otherwise specifically stated, the Limits of Insurance or Sublimits of Insurance provided under the Extensions of Coverage are in addition to any Limit of Insurance stated in the Declarations applicable to **Property Insured** or Business Income and Extra Expense Coverage.
- D. Extensions of Coverage Applicable only to Property Coverage:
 - 1. Consequential Loss Assumption Coverage
 - a. We will pay the reduction in **fair market value** of the undamaged parts of **stock**, which are part of a pair or set, when the reduction in **fair market value** is caused by direct physical loss or damage by a **covered cause of loss** to other parts of the pair or set at a location and the undamaged parts cannot be used in conjunction with other **stock**.
 - b. The most we will pay under this Extension of Coverage in any one occurrence or **loss event** is the Limit of Insurance shown in the Declarations applicable to Consequential Loss Assumption Coverage.
 - 2. Contract Penalty Clause Coverage
 - a. (1) We will pay the contractual penalties you are required to pay to your customers, as a result of any clause in contracts you enter into prior to a loss, for failure to timely deliver your product according to the contract terms.
 - (2) Such penalties must solely result from direct physical loss or damage to **Property Insured** caused by or resulting from a **covered cause of loss** at a location.
 - b. The most we will pay under this Extension of Coverage in any one occurrence or **loss event**, regardless of the number of contracts affected, is the Limit of Insurance shown in the Declarations applicable to Contract Penalty Clause Coverage.
- 3. Debris Removal Coverage
 - a. Debris of Property Insured

If direct physical loss or damage occurs to **Property Insured** caused by or resulting from a **covered cause of loss** at a location, then we will pay the necessary expense you incur to remove the debris from such location. Necessary debris removal expense includes:

 - (1) Planning, testing, monitoring, and debris classification related to the process of debris removal;
 - (2) Demolition of damaged property; and
 - (3) Clean up, removal, and disposal of debris.
 - b. Debris of Property Owned by Others



We will also pay the necessary expense you incur at a location to remove the debris of property owned by others not covered under this Policy, but only if such debris is caused by or resulting from a **covered cause of loss**.

- We will not pay under Debris Removal Coverage for:
 - (1) Any expense for:
 - (a) Demolish and clear the site of the undamaged portion of **Property Insured**;
 - (b) Extract **pollutants** from land, water or air;
 - (c) Remove, restore, or replace polluted land, water, or air; or
 - (d) Otherwise test for, monitor, mitigate, clean up, remove, contain, treat, remediate, detoxify, neutralize, or in any way respond to or assess the effects of **pollutants**.
 - (2) A claim that has been reported to us in writing after one hundred eighty (180) consecutive calendar days from the date that covered loss or damage occurred.
- d. Subject to the applicable Limit of Insurance shown in the Declarations for **Property Insured**, the most we will pay under this Extension of Coverage in any one occurrence or **loss event** is the Limit of Insurance shown in the Declarations for Debris Removal Coverage - Debris of Property Insured, or Debris Removal Coverage - Debris of Property Owned by Others, or both, as may be applicable.

4. Extended Warranty Coverage

- a. If a **covered cause of loss** results in a direct total physical loss to an item of **Property Insured** at a location, then we will pay the unused pro-rata portion of the non-refundable purchase price for extended warranties or service contracts which you purchased for such destroyed property. An extended warranty does not include the basic warranty that is provided by the manufacturer of the destroyed property.
- b. The most we will pay under this Extension of Coverage in any one occurrence or **loss event** is the Limit of Insurance shown in the Declarations applicable to Extended Warranty Coverage.

5. Fine Arts Coverage

- a. We will pay for direct physical loss or damage to **fine arts** caused by or resulting from a **covered cause of loss**, but only while located within the interior portion of a **premises** at a **location**.
- b. We will also pay for direct physical loss or damage to **fine arts** caused by or resulting from a **covered cause of loss** while such property is away from a **location** and:
 - (1) In transit to;
 - (2) Situated at; and
 - (3) In transit back from;
an exhibition, exposition, fair, or trade show, but only while within the Coverage Territory.
- c. We will not pay under Fine Arts Coverage for any loss, damage, or expense caused by or resulting from:
 - (1) Any **fine arts** while leased, rented, or loaned to others.
 - (2) Any **fine arts** while in the possession of others under an agreement of sale.
 - (3) Any repairing, restoration, refinishing, or retouching processes.
 - (4) Any waterborne shipments except when **fine arts** are being transported on a **vehicle** aboard a licensed ferry on an inland waterway. If property covered under Fine Arts Coverage suffers loss or damage while being transported on such **vehicle**, then we will pay for general average and salvage charges that may be assessed against such **vehicle**.
 - (5) Shipments covered by ocean marine or cargo insurance.



d. Miscellaneous Unscheduled Fine Arts

- (1) The most we will pay under this Extension of Coverage for any one item, pair of items, or set of related items, in any one occurrence or **loss event**, is the Limit of Insurance shown in the Declarations applicable to Miscellaneous Unscheduled Fine Arts under Fine Arts Coverage.
- (2) The most we will pay under this Extension of Coverage in any one occurrence or **loss event**, regardless of the number of **fine arts** lost or damaged, is the Per Occurrence Limit of Insurance shown in the Declarations applicable to Miscellaneous Unscheduled Fine Arts under Fine Arts Coverage.

e. Individually Scheduled Fine Arts

The most we will pay under this Extension of Coverage for each individually scheduled item of **fine art** in any one occurrence or **loss event** is the Limit of Insurance shown in the Declarations applicable to such item of **fine art**.

f. Fine Arts at an Exhibition, Exposition, Fair, or Trade Show

The most we will pay under Item 5.b. of this Extension of Coverage for **fine art**, whether individually scheduled or not, in any one occurrence or **loss event** is the Limit of Insurance shown in the Declarations applicable to Fine Arts at an Exhibition, Exposition, Fair, or Trade Show.

6. Fire Department Service Charge Coverage

- a. If a fire department or other government agency charged with preserving public safety is called to save or protect **Property Insured** against direct physical loss or damage from a **covered cause of loss** at a location, then we will pay the fire department service charges you incur and are legally required to pay.
- b. The most we will pay under this Extension of Coverage in any one occurrence or **loss event** is the Limit of Insurance shown in the Declarations applicable to Fire Department Service Charge Coverage.

7. Fire Protection Equipment Coverage

- a. (1) We will pay the necessary costs to recharge or refill **fire protection equipment**, and clean up and remove the fire extinguishing agent, caused by or resulting from the discharge of a fire extinguishing agent from **fire protection equipment** at a location.
- (2) No deductible applies to Fire Protection Equipment Coverage
- b. We will not pay under Fire Protection Equipment Coverage for any loss, damage, or expense caused by or resulting from your failure to use reasonable care to maintain the **fire protection equipment** in proper operating condition prior to the loss.
- c. The most we will pay under this Extension of Coverage in any one occurrence or **loss event** is the Limit of Insurance shown in the Declarations applicable to Fire Protection Equipment Coverage.

8. Installation Coverage

- a. (1) We will pay for direct physical loss or damage to **business personal property** destined to become a permanent part of an installation or erection that you have contracted to perform at a location not specifically described in the Declarations caused by or resulting from a **covered cause of loss**:
 - (a) While awaiting installation at a temporary warehouse;
 - (b) During installation or testing at a job site; or
 - (c) While awaiting acceptance by the buyer.
- b. (2) Installation Coverage terminates the earlier of the following events:



- (a) Your interest in the property that you have contracted to install or erect ceases;
 - (b) The installation or erection of the property is completed and accepted by the buyer;
 - (c) The property you have contracted to install or erect is put to use for its intended purpose; or
 - (d) This Policy expires or is cancelled.
- b. We will not pay under Installation Coverage for any loss, damage, or expense caused by or resulting from:
- (1) **Business personal property** destined to become a permanent part of the installation or erection while at a location that you own, lease, or operate;
 - (2) **Business personal property** while at the location of a manufacturer or supplier, whether or not such property is designated for a specific installation covered under Installation Coverage; or
 - (3) Interest on money loaned, advances for installation projects, or **soft costs**.
- c. The most we will pay under this Extension of Coverage in any one occurrence or **loss event**, regardless of the number of locations involved, is the Limit of Insurance shown in the Declarations applicable to Installation Coverage.
9. Loss Avoidance or Mitigation Coverage
- a. We will pay the necessary expense you incur to protect, avoid, or significantly mitigate potential covered loss or damage that is actually and imminently threatening **Property Insured**, including:
 - (1) Removal of ice or snow from the roof or balconies of **business real property** that has accumulated during and due to a **storm**;
 - (2) Pumping of standing water away from **business real property** that has accumulated during and due to a **flood, hurricane, named storm, or storm**;
 - (3) Application of fire retardant foam or similar fire suppression or extinguishing material to **business real property** as protection against an approaching fire; and
 - (4) Boarding up or sandbagging of doors, windows, or other external openings in **business real property** as protection against an approaching **flood, hurricane, named storm, or storm**.
- However, we will not pay for any loss, damage, or expense caused by or resulting from such loss prevention actions.
- b. No Deductible applies to Loss Avoidance or Mitigation Coverage.
 - c. To the extent possible, you must promptly notify us that you intend to incur necessary loss prevention expense.
 - d. The most we will pay under this Extension of Coverage in any one occurrence or **loss event** is the Limit of Insurance shown in the Declarations applicable to Loss Avoidance or Mitigation Coverage.
10. Mobile Communication Equipment Coverage
- a. We will pay for direct physical loss or damage to your **mobile communication equipment** caused by or resulting from a **covered cause of loss** while away from a location and situated in anywhere the world.
 - b. We will not pay under Mobile Communications Equipment Coverage for any loss or damage to **data, research and development documentation, or valuable records and papers**.
 - c. The most we will pay under this Extension of Coverage in any one occurrence or **loss event** is the Limit of Insurance shown in the Declarations applicable to Mobile Communication Equipment Coverage.
11. Money and Securities Coverage



- a. We will pay for direct physical loss or damage to **money, securities**, or both as shown by your records, caused by or resulting from a **covered cause of loss** while:
 - (1) Located within the interior portions of a **premises**, or
 - (2) Being carried to or from such **premises** while in the care, custody, or control of a **messenger** or an armored motor vehicle company.
 - b. We will not pay under Money and Securities Coverage for any loss, damage, or expense caused by or resulting from **forgery**, alterations, or the giving or surrendering of **money, securities**, or both in exchange or purchase.
 - c. The most we will pay under this Extension of Coverage in any one occurrence or **loss event** is the Limit of Insurance shown in the Declarations applicable to Money and Securities Coverage.
12. Money Orders and Counterfeit Currency Coverage
- a. We will pay for your loss which directly results from you accepting:
 - (1) **Counterfeit** United States or Canadian currency not accepted upon presentation; or
 - (2) **Counterfeit** money orders purporting to have been issued by any United States or Canadian post office, express company, or bank not paid upon presentation;
in good faith and in exchange for merchandise, **money**, or services.
 - b. The most we will pay under this Extension of Coverage in any one occurrence, regardless of the number of items contributing to the loss, is the Limit of Insurance shown in the Declarations applicable to Money Orders and Counterfeit Currency Coverage.
13. Realty Tax Coverage
- a. If direct physical loss or damage to **Property Insured** is caused by or results from a **covered cause of loss** at a location, then we will reimburse you for the increased realty tax liability attributable to the repair or rebuilding of such damaged property.
 - b. We will pay for such increased realty tax liability if it is assessed within two (2) years of a covered loss. However, we will only pay the first such increased assessment following any realty tax assessment increase that is insured under this Extension of Coverage.
 - c. The most we will pay under this Extension of Coverage in any one occurrence or **loss event** is the Limit of Insurance shown in the Declarations applicable to Realty Tax Coverage.
14. Removal of Property Coverage
- a. (1) If you must move **Property Insured** from a location in order to protect such property from imminent or further direct physical loss or damage caused by or resulting from a **covered cause of loss**, then we will pay for direct physical loss or damage caused by a **covered cause of loss** to **Property Insured** while such property is:
 - (a) Being moved to a safe temporary storage location;
 - (b) Situated at a safe temporary storage location;
 - (c) Being returned from a safe temporary storage location to its original **location**; or
 - (d) In the due course of **transit** between such locations.
 - (2) We will also pay the necessary expense associated with moving **Property Insured** to a safe temporary storage location in order to avoid loss or damage. Such expense includes transportation and renting storage space at a safe temporary storage location.
 - (3) Removal of Property Coverage applies for one hundred and twenty (120) consecutive calendar days from the date **Property Insured** is removed from a **location**.
 - (4) No Deductible applies to Removal of Property Coverage.



- b. We will not pay under Removal of Property Coverage for any loss, damage, or expense while **Property Insured** is removed from a **location** for normal storage.
- c. The most we will pay under this Extension of Coverage in any one occurrence or **loss event**, including any **Property Insured** while in the due course of **transit**, is the Limit of Insurance shown in the Declarations applicable to Removal of Property Coverage.

15. Reward Coverage

- a. (1) We will reimburse you the rewards you pay for information leading to the arrest and subsequent conviction of the person or persons responsible for a covered loss under this Coverage Form caused by or resulting from an unlawful act.
(2) No deductible applies to Reward Coverage.
- b. (1) The most we will pay under this Extension of Coverage in any one occurrence or **loss event** for any one person is the Any One Person Limit of Insurance shown in the Declarations applicable to Reward Coverage.
(2) The most we will pay under this Extension of Coverage in any one occurrence or **loss event**, regardless of the number of people being rewarded, is the Per Occurrence or Loss Event Limit of Insurance shown in the Declarations applicable to Reward Coverage.

16. Salesperson's Samples Coverage

- a. We will pay for direct physical loss or damage to **salesperson's samples** caused by or resulting from a **covered cause of loss** while located anywhere within the Coverage Territory.
- b. The most we will pay under this Extension of Coverage in any one occurrence or **loss event** is the Limit of Insurance shown in the Declarations applicable to Salesperson's Samples Coverage.

17. Tenant's Lease Agreement Coverage

- a. If a Limit of Insurance for Business Real Property is not shown in the Declarations, then we cover **business real property** at a **location** you have leased or rented and is occupied by you, if your lease or rental agreement specifically requires you to insure such property or makes you responsible for loss or damage to such property. We cover such **business real property** against direct physical loss or damage caused by or resulting from a **covered cause of loss**.
- b. Item XIII.P. Other Insurance does not apply to Tenant's Lease Agreement Coverage if your lease or rental agreement specifically requires you to provide primary insurance on the property described above in Item V.D.17.a. or makes you responsible for loss or damage to such property.
- c. The most we will pay under this Extension of Coverage in any one occurrence or **loss event**, regardless of the number of property items lost or damaged, is the Limit of Insurance shown in the Declarations applicable to Tenant's Lease Agreement Coverage.

18. Theft of Precious Commodities Coverage

- a. We will pay for direct physical loss or damage to the following property at a **location** caused by or resulting from **theft**: Jewelry comprised of precious or semi-precious stones, metals, or alloys; precious or semi-precious stones, metals or alloys; watches or watch movements; furs, fur garments, or garments trimmed with fur.
- b. The most we will pay under this Extension of Coverage in any one occurrence or **loss event**, regardless of the number of items lost or damaged, is the Limit of Insurance shown in the Declarations applicable to Theft of Precious Commodities Coverage.

E. Extensions of Coverage Applicable only to Business Income and Extra Expense Coverage:

If the Declarations show a Limit of Insurance for Business Income and Extra Expense Coverage, then the following Extensions of Coverage apply, but only if the Declarations also show that you have such Extensions of Coverage:



1. Business Access Coverage

- a. We will pay for the actual loss of **business income** and necessary **extra expense** you sustain due to the necessary **suspension of operations** at a **location** if access to such **location** is impaired or obstructed. Such impairment or obstruction must:
 - (1) Arise from direct physical loss or damage to property other than at such **location**; and
 - (2) Be caused by or result from a **covered cause of loss**; and
 - (3) Occur within the number of miles stated in the Declarations from such **location**.
- b. We will not pay under Business Access Coverage for **business income** loss or **extra expense** incurred caused by or resulting from action of civil authority or military authority.
- c. The most we will pay under this Extension of Coverage in any one occurrence or **loss event** is the Limit of Insurance shown in the Declarations applicable to Business Access Coverage.

2. Civil Authority Coverage

- a. We will pay for the actual loss of **business** income and necessary **extra expense** you sustain due to the necessary **suspension** of your **operations** caused by action of civil authority that prohibits access to a **location**. Such prohibition of access to such **location** by a civil authority must:
 - (1) Arise from direct physical loss or damage to property other than at such **location**; and
 - (2) Be caused by or result from a **covered cause of loss**; and
 - (3) Occur within the number of miles stated in the Declarations from such **location**.
- b. The most we will pay under this Extension of Coverage in any one occurrence or **loss event** is the Limit of Insurance shown in the Declarations applicable to Civil Authority Coverage.
- c. Actions of civil authority do not include actions of military authority.

3. Delayed Occupancy Coverage

- a. We will pay for the actual loss of **business income** and necessary **extra expense** you sustain due to the necessary delay in starting **operations** during the **period of restoration** arising from direct physical loss or damage to property at a **location** caused by or resulting from a **covered cause of loss**. The **period of restoration** begins immediately after the time that **operations** would have begun if the covered loss or damage had not occurred.
- b. If a covered loss occurs under Delayed Occupancy Coverage, then we will also pay for the necessary **soft costs** you incur which are over and above such expense that you would have incurred during the **period of restoration** had there been no loss.
- c. The most we will pay under this Extension of Coverage in any one occurrence or **loss event** is the Limit of Insurance shown in the Declarations applicable to Delayed Occupancy Coverage.

4. Dependent Property Coverage

a. Dependent Property Coverage

- (1) We will pay for the actual loss of **business income** and necessary **extra expense** you sustain due to the necessary **suspension of operations** during the **period of restoration** at a **location**.
 - (2) The **suspension** must be due to direct physical loss or damage at the **location** of a **dependent property**, situated inside or outside of the Coverage Territory, caused by or resulting from a **covered cause of loss**.
- b. Dependent Property Coverage does not insure any loss or damage caused by or resulting from **earth movement, fire protection equipment leakage from earth movement, flood, hurricane, named storm, or storm** causes of loss unless:



- (1) Such causes of loss are included as **covered causes of loss** in this Coverage Form or an endorsement attached to this Coverage Form which comprises a part of the Commercial Property Coverage Section; and
 - (2) Such causes of loss are also shown as included in the Declarations applicable to Dependent Property Coverage.
- We will reduce the amount of your:
- (1) **Business income loss**, other than **extra expense**, to the extent you can resume **operations**, in whole or in part, by using any other available source of materials, or outlet for your products; and
 - (2) **Extra expense** loss to the extent you can return **operations** to normal and discontinue such **extra expense**.
- d. With respect to Dependent Property Coverage the **period of restoration** begins immediately after the time that direct physical loss or damage occurs at the **location** of the **dependent property** caused by or resulting from a **covered cause of loss**.
 - e. The most we will pay under this Extension of Coverage in any one occurrence or **loss event**, regardless of the number of **locations** or **dependent properties** involved, is the Limit of Insurance shown in the Declarations applicable to Dependent Property Coverage.
5. Expediting Expense Coverage
- a. (1) We will pay the necessary **expediting expense** you sustain due to direct physical loss or damage to property at a **location** caused by or resulting from a **covered cause of loss**.
 - (2) No Deductible applies to Expediting Expense Coverage.
 - b. We will not pay under Expediting Expense Coverage for:
 - (1) Expenses recoverable elsewhere under this Coverage Form or the Commercial Property Coverage Section of this Policy, such as but not limited to Extra Expense Coverage; or
 - (2) Your costs incurred for the temporary rental of property or temporary replacement of damaged property.
 - c. The most we will pay under this Extension of Coverage in any one occurrence or **loss event** is the Limit of Insurance shown in the Declarations applicable to Expediting Expense Coverage.
6. Extended Business Income and Extra Expense Coverage
- a. If a **business income** and **extra expense** loss is covered under this Coverage Form, then subject to the Limit of Insurance for Business Income and Extra Expense Coverage:
 - (1) We will pay for the actual loss of **business income** you sustain during the period that begins on the date property (except **finished stock**) is actually repaired, rebuilt, or replaced, and **operations** are resumed and ends on the earlier of:
 - (a) The date you could restore your **operations** with reasonable speed, to the level which would generate the **business income** amount that would have existed if no direct physical loss or damage occurred; or
 - (b) The number of consecutive calendar days, stated in the Declarations, after the date **operations** are resumed.
 - (2) We will pay the necessary **extra expense** you incur for advertising, direct mail, discount coupons, or other promotional expense you incur to attract customers back to **your business** during the period that begins on the date property (except **finished stock**) is actually repaired, rebuilt, or replaced, and **operations** are resumed and ends on the earlier of:



- (a) The date you could restore your **operations** with reasonable speed, to the level which would generate the **business income** amount that would have existed if no direct physical loss or damage occurred; or
 - (b) The number of consecutive calendar days, stated in the Declarations, after the date **operations** are resumed.
- (c) We will not pay for the loss of **business income** or **extra expense** sustained as a result of unfavorable business conditions caused by the impact of the **covered cause of loss** in the area where the **location** is situated.

7. Leasehold Interest Coverage

- a. We will pay for the actual loss of the following Leasehold Interest Coverages you sustain due to the cancellation of your lease which results from direct physical loss or damage to property at a location caused by or resulting from a **covered cause of loss**:

(1) Lessee's Leasehold Interest Coverage

- (a) If you are a lessee and your lease or rental agreement is cancelled pursuant to the terms of the lease agreement due to a covered loss, then we will pay you for your Gross Lessee's Leasehold Interest for the first twelve (12) months following covered loss and for your **net leasehold interest** for the remaining unexpired term of the lease or rental agreement.
- (b) Gross Lessee's Leasehold Interest means the difference between the actual rent you currently pay for the same or similar replacement property and the rent you would have otherwise paid at the location had there been no covered loss for each month during the unexpired term of your lease or rental agreement.
- (c) Rent means the actual monthly rent including taxes, insurance, janitorial, or other services that you pay for as part of the rent and does not change whether you occupy all or part of the location or if you sublet the location.

(2) Lessor's Leasehold Interest Coverage

- (a) If you are a lessor and your lease or rental agreement is cancelled pursuant to the terms of the lease agreement due to a covered loss, then we will pay you for your Gross Lessor's Leasehold Interest for the first twelve (12) months following covered loss and for your **net leasehold interest** for the remaining unexpired term of the lease or rental agreement.
- (b) Gross Lessor's Leasehold Interest means the difference between the actual rent paid by a tenant for your property and the rent you would have otherwise received at the location had there been no covered loss for each month during the unexpired term of your lease or rental agreement.
- (c) Rent means the actual monthly rent including taxes, insurance, janitorial, or other services that you charge as part of the rent for the location.

(3) Bonus Payments Coverage

We will pay you for the unamortized portion of a bonus payment that will not be refunded to you due to a covered loss. A bonus payment is a sum of money you paid to acquire your lease. Bonus payments do not include rent, whether or not prepaid, or security deposits.

(4) Prepaid Rent Coverage

We will pay you for the unamortized portion of prepaid rent that will not be refunded to you due to a covered loss. Prepaid rent is a sum of money you paid as advance rent. Prepaid rent does not include the customary rent due at the beginning of each month or any other rental period.

(5) Tenant's Improvements and Betterments Coverage

We will pay you for the unamortized portion of payments made by you for **tenant's improvements and betterments** that will not be refunded to you due to a covered loss.



Tenant's Improvements and Betterments Coverage does not include the value of such improvements and betterments recoverable under any other insurance, but only to the extent of such other insurance.

- b. If you suffer a loss under this Additional Coverage, then you must use any suitable property or service owned or controlled by you or obtainable from another source in order to reduce any loss sustained under Leasehold Interest Coverage.
 - c. The most we will pay under this Extension of Coverage in any one occurrence or **loss event** is the Limit of Insurance shown in the Declarations applicable to Leasehold Interest Coverage.
 - 8. Research and Development Operations Coverage
 - a. We will pay for the actual loss of **business income** and necessary **extra expense** you sustain during the **period of restoration**, due to a necessary **suspension** of your **research and development operations**, which in turn causes a delay in the introduction of a new product or the enhancement of an existing product.
 - b. The **suspension** must be caused by direct physical loss or damage by a **covered cause of loss** to property directly related to your **research and development operations** at a **location**.
 - c. Payment will be made only:
 - (1) After the new product or the enhanced product is made available in the marketplace; and
 - (2) If you discover the **business income** loss within two years after the date of loss or damage.
 - d. If a competitor introduces a similar product prior to the date you scheduled the introduction of your new or enhanced product, then we will reduce the amount of such actual **business income** loss to the extent attributable to the competitor's product.
 - e. We will not pay under this Extension of Coverage for the loss of **business income** or **extra expense** you incur solely due to loss or damage to **research and development documentation**.
 - f. The most we will pay under this Extension of Coverage in any one occurrence or **loss event** is the Limit of Insurance shown in the Declarations applicable to Research and Development Operations Coverage.
 - 9. Tenant Moving Coverage
 - a. We will pay the necessary **tenant moving costs** incurred by tenants who temporarily vacate a portion of your **premises** that is rendered untenable due to direct physical loss or damage to property at such location caused by or resulting from a **covered cause of loss**.
 - b. The tenant who has moved out of the **premises** must move back to such **premises** within 60 days after the damaged portion of the covered **business real property** rented by the tenant has been repaired or rebuilt and is ready for occupancy or we will not pay the **tenant moving costs** related to such tenant move-back.
 - c. We will pay for **tenant moving costs** related to moving out of and moving back to the **premises** whether or not the tenants have moved back before the expiration date of this Policy.
 - d. The most we will pay under this Extension of Coverage in any one occurrence or **loss event**, regardless of the number of tenants requiring relocation, is the Limit of Insurance shown in the Declarations applicable to Tenant Moving Coverage.
- F. Extensions of Coverage Applicable to Property, Business Income, and Extra Expense Coverages:
1. Communicable Disease Coverage
 - a. (1) We will pay for direct physical loss or damage to **Property Insured** caused by or resulting from a covered **communicable disease event** at a location including the following necessary costs incurred to:



- (a) Tear out and replace any part of **Property Insured** in order to gain access to the **communicable disease**;
 - (b) Repair or rebuild **Property Insured** which has been damaged or destroyed by the **communicable disease**, and
 - (c) Mitigate, contain, remediate, treat, clean, detoxify, disinfect, neutralize, cleanup, remove, dispose of, test for, monitor, and assess the effects the **communicable disease**.
- (2) If the Declarations show a Limit of Insurance for Business Income and Extra Expense Coverage, then we will pay for the actual loss of **business income** and necessary **extra expense** you sustain due to the necessary **suspension of operations** during the **period of restoration**. The **suspension** must be due to direct physical loss or damage to property at a location caused by or resulting from a covered **communicable disease event**.
- b. (1) We will not pay under Communicable Disease Coverage for any loss, damage, or expense caused by or resulting from:
- (a) A loss incurred prior to the Policy Period shown in the Declarations;
 - (b) Testing or monitoring to assess the existence, concentration, or effects of a **communicable disease** or **pollutants** beyond ninety (90) consecutive calendar days following the date when damaged property is remediated, repaired, rebuilt, or any combination thereof; or
 - (c) A claim that has been reported to us in writing after thirty (30) consecutive calendar days from the date the **public health authority** ordered the location to be evacuated, decontaminated, or disinfected due to the **communicable disease event**.
 - (d) A covered loss under Communicable Disease Coverage does not create, nor will it invoke coverage for Debris Removal Coverage, as described above under Item V.D.3. of this Coverage Form, except as provided by Communicable Disease Coverage.
- c. (1) The most we will pay under this Extension of Coverage in any one occurrence or **loss event** including **business income**, **extra expense**, and debris removal, is the Per Occurrence or Loss Event Limit of Insurance shown in the Declarations applicable to Communicable Disease Coverage.
- (2) The most we will pay under this Extension of Coverage in all occurrences or **loss events** during any one Policy Period is the **Annual Aggregate** Limit of Insurance shown in the Declarations applicable to Communicable Disease Coverage.
2. Fungus Remediation Coverage
- a. (1) If **fungus** is caused by or results from a **covered cause of loss** other than fire, explosion, or lightning at a location, then we will pay for the necessary expense incurred to:
- (a) Tear out and replace any part of **Property Insured** in order to gain access to **fungus**;
 - (b) Repair or rebuild **Property Insured** which has been damaged or destroyed by **fungus**; and
 - (c) Mitigate, contain, remediate, treat, clean, detoxify, disinfect, neutralize, cleanup, remove, dispose of, test for, monitor, and assess the effects of **fungus**.
- (2) (a) If the Declarations show a Limit of Insurance for Business Income and Extra Expense Coverage, then we will pay for the actual loss of **business income** and necessary **extra expense** you sustain during the increased **period of restoration** due to the presence of **fungus**.
- (b) Such increased **period of restoration** caused by the presence of **fungus** includes any increased period of time beyond the **period of restoration** required to remediate **fungus**.



- (c) The expiration date of this Policy will not cut short the increased **period of restoration**.
 - b. (1) We will not pay under Fungus Remediation Coverage for any loss, damage, or expense caused by or resulting from:
 - (a) A loss incurred prior to the Policy Period shown in the Declarations;
 - (b) Testing or monitoring to assess the existence, concentration, or effects of fungus beyond ninety (90) consecutive calendar days following the date when damaged property is remediated, repaired, rebuilt, or any combination thereof; or
 - (c) A claim that has been reported to us in writing after thirty (30) consecutive calendar days from the date that covered loss or damage occurred.
 - (2) A covered loss under Fungus Remediation Coverage does not create, nor will it invoke coverage for Debris Removal Coverage, as described above under Item V.D.3. of this Coverage Form, except as provided by Fungus Remediation Coverage.
 - c. The most we will pay under this Extension of Coverage in any one occurrence or **loss event** including **business income**, **extra expense**, and debris removal, is the Limit of Insurance shown in the Declarations applicable to Fungus Remediation Coverage.
3. Loss Adjustment Expense Coverage
- a. If covered loss or damage occurs under this Coverage Form, then we will pay the necessary loss adjustment expenses you incur that would not have been incurred had there not been a covered loss. Loss adjustment expenses include but are not limited to:
 - (1) Extra wages paid to your employees for preparing inventories;
 - (2) Expenses incurred to document your **business income** loss or **extra expense** sustained;
 - (3) Public Accountant or Certified Public Accountant fees;
 - (4) The cost of appraisals; or
 - (5) Other expenses incurred to obtain loss data in support your claim or to complete your proof of loss.
 - b. We will not pay under Loss Adjustment Expense for:
 - (1) Any expenses or fees paid to legal counsel, public adjusters, insurance agents or brokers, property managers, consultants, or any of their employees, representatives or consultants; any of your subsidiaries or affiliates; or
 - (2) Costs you incur to prove if a loss is a covered loss under this Policy.
 - c. The most we will pay under this Extension of Coverage in any one occurrence or **loss event** is the Limit of Insurance shown in the Declarations applicable to Loss Adjustment Expense.
4. Newly Acquired Location Coverage
- a. (1) We will pay for direct physical loss or damage to **Property Insured** caused by or resulting from a **covered cause of loss** occurring at a newly acquired location not specifically described in the Declarations.
 - (2) If the Declarations show a Limit of Insurance for Business Income and Extra Expense Coverage, then we will pay for the actual loss of **business income** and necessary **extra expense** you sustain due to the necessary **suspension of operations** during the **period of restoration**. The **suspension** must be due to direct physical loss or damage to property at a newly acquired location not specifically described in the Declarations caused by or resulting from a **covered cause of loss**.



- b. (1) For each newly acquired location, Newly Acquired Location Coverage ends one hundred and twenty (120) consecutive calendar days from the date you acquire the location, on the date you report the values of the property to us, or on the date this Policy expires, whichever occurs first.;
(2) When you report the values of the property to us, you will owe us additional premium from the date of acquisition or the date construction begins.
 - c. We will not pay under Newly Acquired Location Coverage for:
 - (1) Any loss or damage to:
 - (a) **Property Insured** while in transit;
 - (b) **Buildings while in the course of construction** for which separate insurance coverage has been obtained and such separate insurance covers your interest;
 - (c) Property acquired through any foreclosure process that you have initiated; or
 - (2) Any loss, damage, or expense caused by or resulting from **earth movement** or **flood**, even if such causes of loss are insured by endorsement to this Policy.
 - d. The most we will pay under this Extension of Coverage in any one occurrence or **loss event** including **business income** and **extra expense** is the Limit of Insurance shown in the Declarations applicable to Newly Acquired Location Coverage.

5. Ordinance or Law Coverage

 - a. We will pay under Ordinance or Law Coverage A through E described below if:
 - (1) **Property Insured at a location** sustains direct physical loss or damage caused by or resulting from a **covered cause of loss**; and
 - (2) Such covered loss or damage results in the enforcement of a covered **ordinance or law**.
 - b. Coverage A - Loss of Value
 - (1) Loss in Value to the Undamaged Portion of Property Insured

We will pay under Coverage A for the loss in **value** to the undamaged portion of **Property Insured** that is a consequence of the enforcement of an **ordinance or law** which requires the demolition of undamaged parts of such **Property Insured**.
 - (2) Loss in Value of Non-conforming Property
 - (a) We will pay under Coverage A for the loss in value of **non-conforming property**, a portion of which is not repaired or rebuilt as a consequence of the enforcement of any **ordinance or law** that does not permit the repair or rebuilding of **non-conforming property**.
 - (b) If the enforcement of an **ordinance or law** does not permit you to repair or rebuild **Property Insured** to the same height, floor area, number of units, leasable square footage, occupancy, or style that existed immediately preceding covered loss, then Replacement Cost Item VI.A.2.b.(2) will not prohibit coverage for the loss in **value** of the portion of **Property Insured** that is not rebuilt which is provided by Ordinance or Law Coverage A.
 - c. Coverage B - Demolition Cost: We will pay under Coverage B for the amount you actually spend to demolish and clear the site of undamaged parts of **Property Insured** caused by the enforcement of an **ordinance or law at a location**.
 - d. Coverage C - Increased Cost of Construction: We will pay the necessary increased costs to repair or rebuild **Property Insured** caused by the enforcement of an **ordinance or law**.
 - e. Coverage D - Increased Period of Restoration:



- (1) If the Declarations show a Limit of Insurance for Business Income and Extra Expense Coverage, then we will pay under Coverage D for the actual loss of **business income** and necessary **extra expense** you sustain during the increased period of restoration.
 - (2) With respect only to insurance provided under Coverage D, the period of restoration includes any increased period of time beyond the period of restoration required to demolish, repair, or rebuild **Property Insured** in order to comply with the minimum standards of any ordinance or law in force at the time of loss. The expiration date of this Policy will not cut short the increased period of restoration.
- f. Coverage E - Loss of Business Income from Non-Conforming Property
- (1) If the Declarations show a Limit of Insurance for Business Income and Extra Expense Coverage, then we will pay under Coverage E for the actual loss of **business income** and necessary **extra expense** you sustain beyond the period of restoration due to the reduction in leasable square footage caused by or resulting from the inability to repair or rebuild a portion of **non-conforming property** at a **location** due to the enforcement of an ordinance or law.
 - (2) We will not pay under Coverage E for the same **business income** loss or **extra expense** incurred that is payable under Coverage D - Increased Period of Restoration.
 - (3) The expiration date of this Policy will not cut short the duration of the coverage provided by this Extension of Coverage.
- g. We will not pay under Ordinance or Law Coverage A through E for any loss, damage, or expense caused by or resulting from:
- (1) Compliance with any recommended actions or standards that exceed the actual minimum requirements of a covered ordinance or law.
 - (2) The enforcement of any ordinance or law which requires:
 - (a) The demolition, repair, rebuilding or remediation of any property due to contamination by **pollutants**; or
 - (b) Any insured or others to test for, monitor, mitigate, clean up, remove, contain, treat, remediate, detoxify, neutralize, or in any way respond to, or assess the effects of **pollutants**.
 - (3) (a) The enforcement of any ordinance or law that is attributable to an excluded cause of loss. However, if **Property Insured**:
 - 1) Sustains loss or damage that is covered under this Coverage Form; and
 - 2) Sustains loss or damage that is excluded under this Coverage Form; and
 - 3) Such loss or damage results in the enforcement of an ordinance or law;then we will pay that portion of such loss under Ordinance or Law Coverage equal to the proportion that the covered loss or damage bears to the total loss or damage sustained, not including costs that are a consequence of the enforcement of any ordinance or law.
 - (b) If the covered loss or damage, alone, would have resulted in enforcement of the covered ordinance or law, then we will pay the full amount of Ordinance or Law Coverage payable under this Extension of Coverage.
 - (4) Any ordinance or law that you were required to comply with before the loss but you failed to comply.
 - (5) The enforcement of any ordinance or law which requires alteration, remediation, repair, or rebuilding of any **Property Insured** which has not sustained direct physical loss or damage caused by or resulting from a **covered cause of loss**.



- ii. We will not pay under Ordinance or Law Coverage C for any loss, damage, or expense caused by or resulting from increased cost of construction:
- (1) If the **actual cash value** method of valuation applies to **Property Insured**:
 - (2) If the repair or rebuilding is not intended for similar height, floor area / number of units, leasable square footage, occupancy, style, and like kind and quality of the original **Property Insured** which existed immediately preceding the covered loss or damage, unless such construction characteristic or occupancy is not permitted by an **ordinance or law**;
 - (3) Until the property is actually repaired or rebuilt at the same **location** or another site; or
 - (4) Unless the damaged property is repaired or rebuilt as soon as reasonably possible after the loss or damage, not to exceed two years.
- i. (1) Coverage A through E: The most we will pay under this Extension of Coverage in any one occurrence or **loss event**, regardless of the number of **locations** involved, is the Blanket Limit of Insurance shown in the Declarations applicable to Ordinance or Law Coverage. However, the most we will pay under this Extension of Coverage in any one occurrence or **loss event** with respect to a **location** that has been assigned a Sublimit of Insurance applicable to Ordinance or Law Coverage is the applicable Sublimit of Insurance shown in the Declarations.
- (2) If the Declarations applicable to Ordinance or Law Coverage show a Blanket Limit of Insurance in conjunction with a Sublimit of Insurance, then such sublimit is included within, not in addition to, the corresponding Blanket Limit of Insurance.
- (3) Coverage A: If the Limit of Insurance for Coverage A is shown as "included" or a dollar amount is shown in the Declarations, then Coverage A is included within, not in addition to, the Limit of Insurance shown in the Declarations for **Property Insured**.
- (4) Coverage B - Demolition Cost Coverage: Unless Item V.F.5.i.(6) applies, the most we will pay in any one occurrence or **loss event** is the Limit of Insurance shown in the Declarations applicable to Coverage B.
- (5) Coverage C - Increased Cost of Construction Coverage: Unless Item V.F.5.i.(6) applies, the most we will pay in any one occurrence or **loss event** is the Limit of Insurance shown in the Declarations applicable to Coverage C.
- (6) Coverage B and C Blanket:
 - (a) If a Limit of Insurance is shown in the Declarations for Coverage B and C Blanket, then Items V.F.5.i.(4) and (5) described above do not apply. Instead, the most we will pay in any one occurrence or **loss event** under Coverage B and C Blanket is the least of:
 - 1) Any combination of covered losses under Coverage B or Coverage C; or
 - 2) The Limit of Insurance shown in the Declarations applicable to Coverage B and C Blanket.
 - (b) If the Declarations show a Limit of Insurance for Coverage B and C Blanket, in addition to a Limit of Insurance for Coverage B or Coverage C, then only the Coverage B and C Blanket applies.
- (7) Coverage D - Increased Period of Restoration: The most we will pay in any one occurrence or **loss event** is the Limit of Insurance shown in the Declarations applicable to Coverage D - Increased Period of Restoration.
- (8) Coverage E - Loss of Business Income from Non-Conforming Property: The most we will pay in any one occurrence or **loss event** is the Limit of Insurance shown in the Declarations applicable to Coverage E - Loss of Business Income from Non-Conforming Property.

6. Outdoor Trees, Shrubs, Plants, and Lawn Coverage



- a. (1) We will pay for direct physical loss or damage to your trees, shrubs, plants, and lawns growing and situated outside of covered **business real property** at a location caused by or resulting from any of the following causes of loss: Aircraft; explosion; fire; lightning; riot or civil commotion; smoke; vandalism or malicious mischief; or **vehicles**.
(2) **Outdoor Trees, Shrubs, Plants, and Lawn Coverage** includes the necessary expense incurred to:
 - (a) Trim, remove, replace, replant, or reposition trees, shrubs, plants, or lawns; and
 - (b) Cleanup, remove, and dispose of the debris of covered trees, shrubs, plants, and lawns; anywhere at your location which have suffered covered loss or damage.
 - (3) If the Declarations show a Limit of Insurance for Business Income and Extra Expense Coverage, then we will pay for the actual loss of **business income** and necessary **extra expense** you sustain due to the necessary **suspension of operations** during the **period of restoration**. The **suspension** must be due to direct physical loss or damage to your trees, shrubs, plants, and lawns growing and situated at a location caused by or resulting from a **covered cause of loss** described above in Item V.F.6.a.(1).
- b. We will not pay under **Outdoor Trees, Shrubs, Plants, and Lawn Coverage**:
- (1) To replace or repair trees, shrubs, plants, or lawns under this Extension of Coverage until such property has been repaired or replaced. However, this restriction does not apply to the cost to remove such property from a location; or
 - (2) For any loss, damage, or expense caused by or resulting from:
 - (a) Outdoor trees, shrubs, plants, or lawn that you hold for sale; or
 - (b) Growing crops.
- c. A covered loss under this Extension of Coverage does not create, nor will it invoke coverage for Debris Removal Coverage, as described above under Section V.D.3. of this Coverage Form, except as provided by **Outdoor Trees, Shrubs, Plants, and Lawn Coverage**.
- d. (1) The most we will pay under this Extension of Coverage for any one tree, shrub, plant, or lawn, in any one occurrence or **loss event**, is the Limit of Insurance shown in the Declarations applicable to Any One Tree, Shrub, Plant, or Lawn shown under **Outdoor Trees, Shrubs, Plants, and Lawn Coverage**.
- (2) The most we will pay under this Extension of Coverage in any one occurrence or **loss event**, including **business income**, **extra expense**, and debris removal, is the Per Occurrence or Loss Event Limit of Insurance shown in the Declarations applicable to **Outdoor Trees, Shrubs, Plants, and Lawn Coverage**.

7. Pollutant Cleanup Coverage

- a. (1) We will pay the necessary expense you incur to cleanup, remove, extract, and dispose of **pollutants** from land, water, or air, at a **location**, if the discharge, dispersal, seepage, migration, release, or escape of such **pollutants** is the result of direct physical loss or damage to **Property Insured** caused by or resulting from a **covered cause of loss** during the Policy Period at a **location**.
(2) If the Declarations show a Limit of Insurance for Business Income and Extra Expense Coverage, then we will pay for the actual loss of **business income** and necessary **extra expense** you sustain during the increased **period of restoration** due to the cleanup, removal, extraction, and disposal of **pollutants**
 - (a) Such increased **period of restoration** caused by a covered loss under Pollutant Cleanup Coverage includes any increased period of time beyond the **period of restoration** required to cleanup, remove, extract, and dispose of **pollutants**.



- (b) The expiration date of this Policy will not cut short the increased period of restoration
6. We will not pay under Pollutant Cleanup Coverage for:
- (1) Any expense caused by or resulting from testing or monitoring to assess the existence, concentration, or effects of **pollutants** beyond ninety (90) consecutive calendar days following the date that **pollutants** have been cleaned up, removed, and extracted from land, water, or air; or
 - (2) A claim that has been reported to us in writing after one hundred and eighty (180) consecutive calendar days from the date that an actual discharge, dispersal, seepage, migration, release, or escape of **pollutants** has occurred.
- c. (1) Suspension, lapse, or cancellation of any license, lease, rental. The most we will pay under this Extension of Coverage in any one occurrence or **loss event**, including **business income** and **extra expense**, is the Per Occurrence or Loss Event Limit of Insurance shown in the Declarations applicable to Pollutant Cleanup Coverage.
- (2) The most we will pay under this Extension of Coverage in all occurrences or **loss events** during any one Policy Period is the **Annual Aggregate** Limit of Insurance shown in the Declarations applicable to Pollutant Cleanup Coverage.
8. Trade Show Coverage
- a. (1) We will pay for direct physical loss or damage to **Property Insured** caused by or resulting from a **covered cause of loss** while such property is away from a location within the Coverage Territory and located at an exhibition, exposition, fair, or trade show.
 - (2) Trade Show Coverage includes the necessary expense incurred to cleanup, remove, and dispose of the debris of **Property Insured** which is caused by a covered loss.
 - b. If the Declarations show a Limit of Insurance for Business Income and Extra Expense Coverage, then we will pay for the actual loss of **business income** and necessary **extra expense** you sustain due to the necessary **suspension of operations** during the **period of restoration**. The **suspension** must be due to direct physical loss or damage to **Property Insured** while located at an exhibition, exposition, fair, or trade show not specifically described in the Declarations caused by or resulting from a **covered cause of loss**.
 - c. We will not pay under Trade Show Coverage for any:
 - (1) Loss or damage to **fine arts** or **mobile communication equipment**; or
 - (2) Loss, damage, or expense caused by or resulting from **earth movement** or **flood**, even if such causes of loss are insured by endorsement to this Policy.
 - d. The most we will pay under this Extension of Coverage in any one occurrence or **loss event** including **business income**, **extra expense**, and debris removal, is the Limit of Insurance shown in the Declarations applicable to Trade Show Coverage.
9. Transit Coverage
- a. (1) Domestic Shipments
- We will pay for direct physical loss or damage to **Property Insured** caused by or resulting from a **covered cause of loss** while in the due course of **transit** by the following modes of transportation anywhere within the Coverage Territory:
- (a) Your Vehicles: This mode of transportation covers **Property Insured** while being transported by a **vehicle** which you own, lease, rent, or operate; and



- (b) Carriers for Hire This mode of transportation covers **Property Insured** while in the care, custody, or control of a carrier for hire including any **vehicle**, rail, or licensed air transportation delivery service.

(2) International Air Shipments

We will pay for direct physical loss or damage to **Property Insured** caused by or resulting from a **covered cause of loss** while in the care, custody, or control of a licensed air transportation delivery service and being shipped:

- (a) By you from any location within the Coverage Territory to anywhere in the world; and
- (b) To you from anywhere in the world to any location within the Coverage Territory.

Coverage applies from the delivery of **Property Insured** at the point of origin shown in the air waybill until it is discharged at the destination shown in the air waybill.

(3) Transit Coverage includes loss or damage to such property caused by or resulting from:

- (a) **Loading and unloading of Property Insured** from a transporting conveyance provided such loss or damage is caused by or results from a **covered cause of loss**;
- (b) Your interest in property shipped Free on Board (F.O.B.) after the title of a shipment passes to the consignee;
- (c) Your interest in property shipments which have been refused by the consignee, ending the earlier of:
 - 1) Fifteen (15) consecutive calendar days after such property has been refused; or
 - 2) The time that the returned shipment of property arrives at a location that you own, lease, or operate;
- (d) Fraud or deceit perpetrated by any person or persons who may represent themselves to be the proper party or parties to receive or accept goods for shipment; or
- (e) The necessary additional expense you incur to inspect, repackage and reship **Property Insured** which has been damaged by a **covered cause of loss**.

(4) If the Declarations show a Limit of Insurance for Business Income and Extra Expense Coverage, then we will pay for the actual loss of **business income** and necessary **extra expense** you sustain due to the necessary **suspension of operations** during the **period of restoration**. The **suspension** must be due to direct physical loss or damage to **Property Insured** while in the due course of **transit** caused by or resulting from a **covered cause of loss**.

b. We will not pay under Transit Coverage for any loss, damage, or expense caused by or resulting from:

- (1) Shipments by mail from the time **Property Insured** passes into the custody of a public or private mail delivery service.
- (2) Any waterborne shipments except when on a **vehicle** aboard a licensed ferry on an inland waterway. If property covered under Transit Coverage suffers loss or damage while on such **vehicle**, then we will pay for general average and salvage charges that may be assessed against such **vehicle**.
- (3) Shipments covered by ocean marine or cargo insurance.
- (4) Property owned by others while you are acting as a carrier for hire, such as but not limited to a common carrier, contract carrier, broker, or freight forwarder.



- (5) Jewelry comprised of precious or semi-precious stones, metals, or alloys; precious or semi-precious stones, metals or alloys; watches or watch movements; furs, fur garments, or garments trimmed with fur, fine arts, money, securities, or salespersons samples.
- (6) Concealed damage to **Property Insured** or expenses you incur to recalibrate or adjust **Property Insured**, unless there are visible marks on the container or packing material surrounding the damaged item, evidencing that direct physical loss or damage was caused by or resulting from an external **covered cause of loss**.
- c. Expiration or cancellation of this Policy will not interrupt the insurance provided by Transit Coverage until the property being shipped:
 - (1) Is accepted by or on behalf of the consignee or receiver at the intended destination; or
 - (2) Arrives at a location that you own, lease, or operate;but for no longer than 30 days after the date of shipment from the point of origination.
- d. The most we will pay under this Extension of Coverage in any one occurrence or **loss event**, including **business income** and **extra expense**, regardless of the number of **vehicles**, railroad cars, or aircraft involved, are the Limits of Insurance shown in the Declarations applicable to Transit Coverage.

10. Unintentional Property Errors and Omissions Coverage

- a. We will pay for:
 - (1) Direct physical loss or damage to property; and
 - (2) If the Declarations show a Limit of Insurance for Business Income and Extra Expense Coverage, then we will pay for the resulting actual loss of **business income** and necessary **extra expense** you sustain due to the necessary **suspension of operations** during the **period of restoration**.
- b. We will only pay under Item V.F.10.a. described above if the loss or damage is caused by or results from a **covered cause of loss** which is not payable under this Policy because of an unintentional error or omission at the time of Policy inception in:
 - (1) Determining or reporting values; or
 - (2) Describing or including the address of a location to be included as **Property Insured**.Such error or omission shall not void or impair coverage by this Coverage Form to the extent we would have provided coverage had the unintentional error or omission not been made.
- c. You must report such errors or omissions to us in writing as soon as you discover them and you will pay such additional premium as may be appropriate.
- d. We will not pay under Unintentional Property Errors and Omissions Coverage for any loss, damage, or expense caused by or resulting from **earth movement** or **flood**, even if such causes of loss are insured by endorsement to this Policy.
- e. This coverage does not apply if there is coverage available under Newly Acquired Location Coverage, Unnamed Location Coverage, or any other provision in this Policy.
- f. The most we will pay under this Extension of Coverage in any one occurrence or **loss event**, including **business income** and **extra expense**, is the Limit of Insurance shown in the Declarations applicable to Unintentional Property Errors and Omissions Coverage.

11. Unnamed Location Coverage

- a. (1) If the Declarations show a Limit of Insurance for Business Real Property or Business Personal Property, then we will pay for direct physical loss or damage to such property for which a limit



of insurance is shown and is insured under this Coverage Form while situated at a location not specifically described in the Declarations caused by or resulting from a **covered cause of loss**.

- (2) If the Declarations show a Limit of Insurance for Business Income and Extra Expense Coverage, then we will pay for the actual loss of **business income** and necessary **extra expense** you sustain due to the necessary **suspension of operations** during the **period of restoration**. The **suspension** must be due to direct physical loss or damage to property at a location not specifically described in the Declarations caused by or resulting from a **covered cause of loss**.
- b. We will not pay under Unnamed Location Coverage for:
- (1) Any loss or damage to **Property Insured**:
 - (a) Insured under Newly Acquired Location Coverage;
 - (b) While at an exhibition, exposition, fair, or trade show;
 - (c) While in **transit**;
 - (d) Insured under Installation Coverage;
 - (e) Insured under Mobile Communication Equipment Coverage;
 - (f) That is **mobile equipment**;
 - (g) Acquired through any foreclosure process that you have initiated; or
 - (2) Any loss, damage, or expense caused by or resulting from **earth movement** or **flood**, even if such causes of loss are insured by endorsement to this Policy.
- c. The most we will pay under this Extension of Coverage in any one occurrence or **loss event** including **business income** and **extra expense** is the Limit of Insurance shown in the Declarations applicable to Unnamed Location Coverage.
12. Utility Services Coverage
- a. (1) We will pay for direct physical loss or damage to **Property Insured** at a **location** caused by the interruption of **utility services**. The interruption of **utility services** must result from direct physical loss or damage by a **covered cause of loss** to **utility services** property not owned by you.
(2) If the Declarations show a Limit of Insurance for Business Income and Extra Expense Coverage, then we will pay for the actual loss of **business income** and necessary **extra expense** you sustain due to the necessary **suspension of operations** during the **period of restoration** caused by the interruption of **utility services**. The interruption of **utility services** and subsequent **suspension of operations** must be due to direct physical loss or damage to **utility services** property not owned by you and be caused by or result from a **covered cause of loss**.
 - b. We will not pay under Utility Services Coverage for any loss, damage, or expense caused by or resulting from:
 - (1) An interruption of **utility services** due to direct physical loss or damage to:
 - (a) Satellites; or
 - (b) Any type of **overhead transmission lines and equipment**, unless shown as included in the Declarations; or
 - (2) An interruption of **cloud computing** services.



- ⌚ The most we will pay under this Extension of Coverage in any one occurrence or **loss event** including **business income** and **extra expense** is the Limit of Insurance shown in the Declarations applicable to Utility Services Coverage.

VI. Valuation

A. The valuation provisions described below apply to **property damage loss** insured under this Coverage Form:

1. a. Subject to the applicable Limit of Insurance and the valuation provisions described below, if covered loss or damage occurs, then we will either:
 - (1) Pay the **value** of covered property which has sustained loss or damage in exchange for such property; or
 - (2) Repair, rebuild, or replace covered property which has sustained loss or damage with other such property of like kind and quality for the same use or occupancy.
- b. The cost of repair or replacement under any of the valuation provisions described below does not include the increased cost attributable to the enforcement of any **ordinance or law**.
2. Replacement Cost
 - a. If covered loss or damage occurs, then we will determine the **value** of covered property which has sustained loss or damage on a **replacement cost** basis at the time of loss or damage unless:
 - (1) A different valuation basis is shown in the Declarations; or
 - (2) A different valuation method applies under Section VI. Valuation.
 - b. We will not pay more for covered property which has sustained loss or damage than the least of the following dollar amounts:
 - (1) The **replacement cost** of the covered property;
 - (2) The amount you actually spend to repair or replace the covered property; or
 - (3) The Limit of Insurance shown in the Declarations applicable to covered property.
 - c. You may make a claim for loss or damage covered by this insurance on an **actual cash value** basis instead of a **replacement cost** basis. In the event you elect to have loss or damage settled on an **actual cash value** basis, you may still make a claim for the additional coverage which **replacement cost** provides if you notify us of your intent to do so within 180 days after the loss or damage and you comply with Item VI.A.2.d. described below.
 - d. We will not pay on a **replacement cost** basis until you actually repair or replace the lost or damaged property. The repair or replacement of damaged property must be made as soon as reasonably possible, but in no event later than two years after the date that you sustained covered loss or damage.
 - e. Until the lost or damaged property is actually repaired or replaced, we will only pay the **value** of such property on an **actual cash value** basis as of the time of the loss or damage.
 - f. If there is a total loss to a building that is **business real property**, then you may voluntarily elect to purchase another existing building or rebuild on another site but we will not pay more than the amount of loss or damage that we would have otherwise paid to rebuild at the current location.
 - g. With respect to **tenant's improvements and betterments**:
 - (1) If **tenant's improvements and betterments** have not been repaired or replaced within two years of the covered loss or damage, then we will pay the unamortized portion of your original cost of **tenant's improvements and betterments**. We will determine the unamortized portion of such cost as follows:



- (a) Multiply the original cost of **tenant's improvements and betterments** by the number of days from the loss or damage to the expiration of the lease or rental agreement, and
 - (b) Divide the amount determined above in Item VI.A.2.g.(1)(a) by the number of days from the installation of **tenant's improvements and betterments** to the expiration of the lease or rental agreement.
- (2) If your lease or rental agreement contains a renewal option, then the expiration of the renewal option period will replace the expiration of the lease or rental agreement in this procedure.
 - (3) We will deduct from the total amount of covered loss or damage insured under **tenant's improvements and betterments** any dollar amounts that are paid by others, or covered elsewhere under any other insurance Policy, whether collectible or not.
3. Actual Cash Value
 - a. If covered loss or damage occurs and the valuation basis for covered property shown in the Declarations is designated as **actual cash value**, then we will determine the **value** of such property which has sustained loss or damage on an **actual cash value** basis at the time of loss or damage.
 - b. We will not pay more for covered property which has sustained loss or damage than the least of the following dollar amounts:
 - (1) The **actual cash value** of the covered property;
 - (2) The amount you actually spend to repair or replace the covered property; or
 - (3) The Limit of Insurance shown in the Declarations applicable to covered property.
 - c. **Actual cash value** valuation applies to covered property regardless of whether such property has sustained partial or total loss or damage and may be significantly less than its **value** on a **replacement cost** basis.
 4. Accounts Receivable

Subject to the applicable Limit of Insurance shown in the Declarations, if covered loss or damage occurs to **accounts receivable**, then we will determine the **value** of such property at the time of loss or damage as follows:

 - a. We will **value** accounts receivable at:
 - (1) The necessary expenses that you incur to re-establish your records of **accounts receivable**;
 - (2) All amounts due from your customers on current accounts that you are unable to collect;
 - (3) Interest charges on any loan required to offset amounts you are unable to collect; and
 - (4) Collection expenses in excess of your normal collection expenses that directly result from the loss.
 - b. When a covered loss has occurred but you cannot accurately establish the amount of **accounts receivable** outstanding at the time of the loss, the following method will be used:
 - (1) Determine the total of the average monthly amounts of **accounts receivable** for the 12 months immediately preceding the month in which the loss occurs; and
 - (2) Adjust that total for any normal fluctuations in the amount of **accounts receivable** for the month(s) in which the loss occurred or for any demonstrated variance from the average for that month.
 - c. The following will be deducted from the total amount of **accounts receivable**, however that amount is established:
 - (1) The amount of any accounts from which there is no loss;
 - (2) The amount of any accounts that you are able to establish or collect;



- (3) The amount normally allowed for probable bad debts that you are unable to collect; and
- (4) All unearned interest and service charges.
- d. You will pay us the amount of all recoveries you receive for a loss paid by us. Any recoveries in excess of the amount we have paid belong to you.

5. Animals

If covered loss or damage occurs to an animal, then we will determine the **value** of such animal at the time of loss or damage as follows:

- a. We will not pay more for a covered animal which has sustained loss or damage than the least of the following dollar amounts:
 - (1) The cost to purchase a replacement animal of comparable species, age, and quality;
 - (2) The amount you actually spend to replace the animal; or
 - (3) The applicable Limit of Insurance shown in the Declarations.
- b. We will not pay the cost to replace an animal until you actually replace such animal. The replacement of the animal must be made as soon as reasonably possible, but in no event later than two years after the date that you sustained covered loss or damage.

6. Brands, Labels, and Trademarks

- a. (1) If covered loss or damage occurs to your **stock** or similar **personal property of others** and such damaged property has a brand, label, trademark, or other similar identification, then at your option, we will pay for the cost of removing brands, labels, trademarks, or other similar identification from your **stock**. You may:
 - (a) Remove the brand, label, trademark, or other similar identification from the damaged property;
 - (b) Re-label or stamp the damaged property as salvage; or
 - (c) Dispose of the damaged property in a manner you deem appropriate.
- (2) Under any option described above, the re-labeling or disposal of damaged property must be accomplished in accordance with applicable law or regulations and we will not pay for any further loss or damage during the process of removing, re-labeling, or stamping damaged property.
- b. We will deduct from the amount of loss otherwise payable, the **fair market value** of the salvage which could have been obtained by the sale or other disposition of damaged property through customary insurance industry salvage practices. The salvage value of damaged property will be determined after the removal or relabeling of brands, labels, trademarks, or other similar identification.
- c. Payments under Brand, Label, and Trademark Coverage are included within, not in addition to, the Limits of Insurance for **business personal property** shown in the Declarations.

7. Fine Arts

If covered loss or damage occurs to **fine arts**, then we will determine the **value** of such property which has sustained loss or damage at the time of loss or damage in the following manner:

- a. Subject to the applicable Limit(s) of Insurance shown in the Declarations, for partial losses we will pay:
 - (1) The cost to restore the article to its condition immediately before the loss or damage; or
 - (2) If we agree that such restoration cannot fully restore the article to its condition immediately before the loss or damage, then we will pay the difference between the article's **fair market**



value immediately before and after the loss or damage. We will pay this amount in addition to the cost incurred in attempting to restore the article.

- b. Subject to the applicable Limit(s) of Insurance shown in the Declarations, for total losses, we will pay:
- (1) The **fair market value** of each article of **fine art** that would have applied immediately before the loss or damage if the article of **fine art** is not specifically declared and individually described in the Declarations under the Schedule of Individual **Fine Arts**.
 - (2) The Limit of Insurance applicable to the article of **fine art** which is lost or damaged if such article is specifically declared and individually described in the Declarations under the Schedule of Individual **Fine Arts**.

8. Gold, Silver, and Platinum Commodities

Subject to the applicable Limit of Insurance shown in the Declarations, if covered loss or damage occurs to the following metals or metal salts held as **stock** that are not already incorporated into other **business personal property**, then we will determine the **value** of such property which has sustained loss or damage based upon the applicable closing price at the Chicago Board of Trade on the day the covered loss occurred, less all applicable discounts and un-incurred expenses:

- a. Gold;
- b. Silver; and
- c. Platinum.

9. Information Restoration Cost

- a. If covered loss or damage occurs to the following covered property, then we will determine the **value** of such property which has sustained loss or damage on an **information restoration cost** basis at the time of loss or damage:
 - (1) **Data or software**;
 - (2) **Research and development documentation**; and
 - (3) **Valuable papers and records**.
- b. We will not pay more for covered property described above in Item VI.A.9.a. than the applicable Limit of Insurance shown in the Declarations for:
 - (1) **Data, media or software**;
 - (2) **Research and development documentation**; or
 - (3) **Valuable papers and records**.
- c. We will only pay under Information Restoration Cost if you actually research, repair, restore, recreate, and replace the covered property described above in Item VI.A.9.a. as soon as reasonably possible, but in no event later than two years after the date such covered loss or damage occurs.

10. Installation Coverage

If covered loss or damage occurs to **business personal property** that you have contracted to install or erect, then we will determine the **value** of such property which has sustained loss or damage at the time of loss or damage as follows:

- a. We will not pay more for covered property which has sustained loss or damage than the least of the following dollar amounts:
 - (1) The **replacement cost** of covered property plus your interest in labor, materials, or services furnished or arranged by you and other expenses accrued; or
 - (2) The amount you actually spend to repair or replace the covered property; or



(3) The Limit of Insurance shown in the Declarations applicable to Installation Coverage.

- b. You may make a claim for loss or damage covered by this insurance on an **actual cash value** basis instead of a **replacement cost** basis. In the event you elect to have loss or damage settled on an **actual cash value** basis, you may still make a claim for the additional coverage which **replacement cost** provides if you notify us of your intent to do so within 180 days after the occurrence of covered loss or damage and you comply with Item VI.A.10.c. below.
- c. We will not pay under Installation Coverage until you actually repair or replace the lost or damaged property. The repair or replacement of damaged property must be made as soon as reasonably possible, but in no event later than two years after the date that you sustained covered loss or damage.
- d. Until the lost or damaged property is actually repaired or replaced, we will only pay the **value** of such property on an **actual cash value** basis as of the time of the loss or damage.

11. Operational Replacement Cost

- a. If covered loss or damage occurs to the following covered property, then we will determine the **value** of such property which has sustained loss or damage on an **operational replacement cost** basis at the time of loss or damage:
 - (1) **Electronic Data Processing Equipment;**
 - (2) Keys, Locks, and Security Systems; and
 - (3) **Media.**
- b. We will not pay more for covered property described above in Item VI.A.11.a. which has sustained loss or damage than the least of the following dollar amounts:
 - (1) The **operational replacement cost** of covered property;
 - (2) The amount you actually spend to repair or replace covered property; or
 - (3) The Limit of Insurance shown in the Declarations applicable to covered property.
- c. You may make a claim for loss or damage covered by this insurance on an **actual cash value** basis instead of a **operational replacement cost** basis. In the event you elect to have loss or damage settled on an **actual cash value** basis, you may still make a claim for the additional coverage which **operational replacement cost** provides if you notify us of your intent to do so within 180 days after the loss or damage and you comply with Item VI.A.11.d. below.
- d. We will not pay on an **operational replacement cost** basis until you actually repair or replace the lost or damaged property. The repair or replacement of damaged property must be made as soon as reasonably possible, but in no event later than two years after the date that you sustained covered loss or damage.
- e. Until the lost or damaged property is actually repaired or replaced, we will only pay the **value** of such property on an **actual cash value** basis as of the time of the loss or damage.

12. Ordinance or Law Coverage

- a. Coverage A: The **value** of Coverage A will be determined at the least of the following dollar amounts described in (1) through (3) below:
 - (1) (a) If the **replacement cost** valuation applies and the property is repaired or rebuilt at the same **location** or another site, then we will pay the **replacement cost** amount it would actually cost you to rebuild:
 - 1) The undamaged portion of **Property Insured** that the **ordinance or law** requires you to demolish; or



- 2) The portion of **nonconforming property** that the **ordinance or law** does not permit you to repair or rebuild.
 - (b) If the **replacement cost** valuation applies and the property is not repaired or rebuilt, or if the **replacement cost** valuation does not apply, then the **actual cash value** provisions of this Coverage Form apply and we will pay the **actual cash value** of:
 - 1) The undamaged portion of **Property Insured** that the **ordinance or law** requires you to demolish; or
 - 2) The portion of **nonconforming property** that the **ordinance or law** does not permit you to repair or rebuild.
 - (c) In determining either the **replacement cost** or the **actual cash value** amount, the **value** of Ordinance or Law Coverage A will be determined at the **location** and will be based upon the same height, floor area, number of units, leasable square footage, occupancy, style, and like kind and quality of the original **Property Insured** which existed immediately preceding the covered loss.
- (2) The remaining applicable Limit of Insurance for **Property Insured** shown in the Declarations, after payment of the covered direct physical loss or damage using the valuation method indicated in the Declarations.
 - (3) The Limit of Insurance or Sublimit of Insurance, whichever is less, shown in the Declarations applicable to Ordinance or Law - Coverage A.
- b. Coverage B: The **value** of Coverage B will be determined at the least of the following dollar amounts described below:
 - (1) The amount you actually spend to demolish and clear the **location** of undamaged parts of **Property Insured** caused by the enforcement of an **ordinance or law**.
 - (2) The Limit of Insurance or Sublimit of Insurance, whichever is less, shown in the Declarations applicable to Ordinance or Law Coverage B.
 - c. Coverage C: The **value** of Coverage C will be determined at the least of the following dollar amounts described below:
 - (1) (a) The **replacement cost** amount to repair or rebuild damaged or undamaged portions of **Property Insured**, whether or not demolition is required, at the same **location** if:
 - 1) **Property Insured** is repaired or rebuilt at the same **location**; or
 - 2) The **ordinance or law** allows you to repair or rebuild at the same **location**, but you elect to rebuild **Property Insured** at another site or move **Property Insured** to another site.
 - (b) The **replacement cost** amount to repair or rebuild at a new site, but only if the **ordinance or law** will not allow you to repair or rebuild at the same **location**.
 - (2) The amount you actually spend to repair or rebuild **Property Insured** which has sustained loss or damage.
 - (3) The Limit of Insurance or Sublimit of Insurance, whichever is less, shown in the Declarations applicable to Ordinance or Law - Coverage C.

13. Personal Property of Others

If covered loss or damage occurs to **personal property of others**, then we will determine the **value** of such property which has sustained loss or damage using the applicable valuation provisions, but we will not pay more than the amount for which you are legally liable, or the applicable Limit of Insurance, whichever is less.

14. Stock



Subject to the applicable Limit of Insurance shown in the Declarations, if covered loss or damage occurs to **stock**, then we will determine the **value** of such property which has sustained loss or damage at the time of loss or damage as follows:

- a. The **value** of the following types of **stock** will be determined on a **replacement cost** basis:
 - (1) Supplies or raw materials; and
 - (2) **Stock** that you have purchased from others for resale.
- b. The **value** of **stock** that is work-in-process will be determined at the cost of raw materials, supplies, labor, and overhead incurred.
- c. The **value** of **finished stock** will be determined at your selling price less all applicable discounts and un-incurred expenses.
- d. The **value** of **stock** that has been sold but not delivered will be determined at your selling price less all applicable discounts and un-incurred expenses.
- e. The **value** of **stock** that is economically or technologically obsolete or used will be determined at its wholesale **fair market value** at the time of the loss or damage.

15. Transit Coverage

Subject to the applicable Limit of Insurance shown in the Declarations, if covered loss or damage occurs to **Property Insured** which is in **transit**, then we will determine the **value** of such property which has sustained loss or damage at the time of the loss or damage as follows:

- a. The **value** of **Property Insured** which is in **transit** will be determined at the dollar amount stated on the invoice plus any additional expenses that have accrued and been incurred, less all applicable discounts and un-incurred expenses.
- b. The **value** of **Property Insured** which is in **transit** but not under invoice will be determined in accordance with the applicable valuation method for the type of property described under Section VI. Valuation plus any additional expenses that have accrued and been incurred, less all applicable discounts and un-incurred expenses.

B. The valuation provisions described below apply to **time element loss** insured under this Coverage Form:

1. In making any determination of **business income** loss or the amount of **extra expense** incurred, we may utilize any relevant sources of information, including your:
 - a. Balance sheets, income statements, general ledgers, payroll records, and other financial records which have been prepared in accordance with generally acceptable accounting principles;
 - b. Bank statements;
 - c. Accounting procedures;
 - d. Budgeting, forecasting, and marketing records;
 - e. Bills, invoices, bill of materials, and other vouchers;
 - f. Deeds, liens, or contracts, including contracts with customers (verified through confirmations).

If your financial records are not prepared in accordance with generally acceptable accounting principles, then additional accounting procedures may be required.

2. Business Income Coverage:

- a. The amount of covered **business income** loss will be determined based on:
 - (1) The net profit or loss before income taxes of your **operations** before covered loss or damage occurred;
 - (2) The likely net profit or loss before income taxes of your **operations** if no covered loss or damage occurred, not including any **business income** that would likely have been earned as



a result of an increase in the volume of business due to favorable business conditions caused by the impact of the **covered cause of loss** on customers or on other businesses; and

- (3) The continuing normal operating expenses, including your continuing normal payroll expenses, necessary to resume your **operations** with the same quality of service that existed just before the covered direct physical loss or damage. Continuing expenses will be calculated based on the:
 - (a) **Period of restoration**; or
 - (b) Period of time provided for **business income** as described above under Extension of Coverage - Item V.E.6.a.(1);whichever is applicable.

- b. The amount of payroll expense covered when determining the amount of a **business income** loss will be determined based on the following:

- (1) If your **ordinary payroll expense** is not shown in the Declarations as limited or excluded, then your **ordinary payroll expense** is covered and your **ordinary payroll expense** will be included when determining your **business income** loss.
- (2) (a) If your **ordinary payroll expense** is shown in the Declarations as limited, then **business income** includes your **ordinary payroll expense** but for only the number of days stated in the Declarations when determining your **business income** loss. The number of days need not be consecutive but must fall within:
 - 1) The **period of restoration**; or,
 - 2) The period of time provided for **business income** as described above under Extension of Coverage - Item V.E.6.a.(1);(b) In determining the annual operating expenses for Coinsurance purposes, payroll expenses will only include the **ordinary payroll expense** incurred during the number of days shown in the Declarations. If the **ordinary payroll expense** varies during the Policy year, then the period of greatest **ordinary payroll expense** will be used.
- (3) If your **ordinary payroll expense** is shown in the Declarations as excluded, then your entire **ordinary payroll expense** will be deducted when determining your **business income** loss.

- c. If you are operating at a net loss, then continuing normal operating expenses will be offset by the net loss.

3. Extra Expense Coverage:

The amount of covered **extra expense** incurred will be determined based on necessary expenses that:

- a. Exceed your normal operating expenses that would have been incurred by your **operations**, had no covered loss or damage occurred, during the following periods of time:
 - (1) The **period of restoration**; or
 - (2) The period of time provided for **extra expense** as described above under Extension of Coverage - Item V.E.6.a.(2).
- b. Reduce the **business income** loss that otherwise would have been incurred.
- c. We will deduct from the total of such expenses:
 - (1) The salvage value that remains of any property bought for temporary use during the **period of restoration** once your **operations** are resumed; and
 - (2) Any **extra expense** that is paid for by other insurance.



4. Resumption of Your Business Operations

- a. We will reduce the amount of your **business income** loss, other than **extra expense**, to the extent you can resume your **operations**, in whole or in part, by using damaged or undamaged property (including merchandise or stock) at the **location** or elsewhere.
 - b. We will reduce the amount of your **extra expense** to the extent you can return your **operations** to normal and discontinue such **extra expense**.
 - c. If you do not resume all or part of your **operations**, or do not resume all or part of your **operations** as quickly as possible, then we will pay based on the length of time it would have taken to resume your **operations** as quickly as possible.
5. In no event or circumstance will the loss computation result in payments greater than the actual loss sustained or the applicable Limit of Insurance, whichever is less.

VII. Mortgage Holders or Loss Payee Provisions

A. Lender's Loss Payable Provisions

1. The Loss Payee shown in the Declarations is a creditor, mortgage holder, trustee, or receiver whose interest in covered property is established by the following written instruments:
 - a. Warehouse receipts;
 - b. A contract for deed;
 - c. Bills of lading;
 - d. Financing statements;
 - e. Mortgages, deeds of trust, or security agreements; or
 - f. Court order.
2. If a covered loss occurs to covered property in which both you and a Loss Payee have an insurable interest, and such Loss Payee is described in the Declarations as a Lenders Loss Payable prior to such covered loss, then:
 - a. We will pay for covered loss or damage to each Loss Payee shown in the Declarations in their order of precedence, as interests may appear.
 - b. The Loss Payee has the right to receive loss payment even if the Loss Payee has started foreclosure or similar action on the covered property.
 - c. If we deny your claim because of your acts or because you have failed to comply with the terms of this Policy, then the Loss Payee will still have the right to receive loss payment if the Loss Payee:
 - (1) Pays any premium due under this Policy at our request if you have failed to do so;
 - (2) Submits a signed, sworn proof of loss within 60 days after receiving notice from us of your failure to do so; and
 - (3) Has notified us of any change in ownership, occupancy, or substantial change in risk known to the Loss Payee.

All of the terms of this Policy will then apply directly to the Loss Payee.

- d. If we pay the Loss Payee for any loss or damage and deny payment to you because of your acts or because you have failed to comply with the terms of this Policy, then:
 - (1) The Loss Payee's rights will be transferred to us to the extent of the amount we pay; and
 - (2) The Loss Payee's rights to recover the full amount of the Loss Payee's claim will not be impaired.



At our option, we may pay to the Loss Payee the whole principal on the debt plus any accrued interest. In this event, you will pay your remaining debt to us.

3. If we cancel or elect not to renew this Policy, then we will give the Loss Payee the same written notice that we give you.

B. Loss Payable Provisions

If a covered loss occurs to covered property which both you and a Loss Payee have an insurable interest and such Loss Payee is described in the Declarations as a Loss Payable prior to such covered loss, then we will:

1. Adjust losses with you; and
2. Pay any claim for loss or damage jointly to you and the Loss Payee, as interests may appear.

C. Contract of Sale Provisions

1. The Loss Payee is described in the Declarations as a Contract of Sale and is a person or organization you have entered a contract with for the sale of covered property.
2. If a covered loss occurs to covered property in which both you and the Loss Payee have an insurable interest, and such Loss Payee is described in the Declarations prior to such covered loss, then we will:
 - a. Adjust losses with you; and
 - b. Pay any claim for loss or damage jointly to you and the Loss Payee, as interests may appear.
3. The following is added to the Other Insurance Clause contained in Section XIII. General Conditions:
For covered property that is the subject of a contract of sale, the word you includes such Loss Payee.

VIII. Coverage Options

Val-U-Gard Coverage

If the Declarations indicate that Val-U-Gard Coverage applies to **Property Insured**, then at the time of covered loss or damage, the Limit of Insurance for such **Property Insured** will automatically increase by the percentage shown in the Declarations applicable to Val-U-Gard Coverage. The amount of increase will be determined as follows:

Step 1: Multiply the Limit of Insurance that applied at the time of covered loss or damage by the Val-U-Gard percentage shown in the Declarations, expressed as a decimal (Example: 5% = .05).

Step 2: Multiply the result of Step 1 by the number of days since such Limit of Insurance most recently became effective.

Step 3: Divide the result of Step 2 by 365 to determine the amount of inflationary increase in the Limit of Insurance applicable to **Property Insured**.

IX. Limitations of Coverage

A. Coverage for Animals

1. a. We will pay for direct physical loss or damage to the following covered animals caused by or resulting from a **covered cause of loss**:
 - (1) Owned by others while in your care, custody, or control; or
 - (2) You sell as **stock**;
- b. Coverage includes the following necessary expenses you incur which are directly attributable to a covered loss under Coverage for Animals:
 - (1) The expense of transporting the covered animal to a licensed veterinarian;



(2) The expense of veterinarian services in order to provide medical treatment to an injured animal; and

(3) The humane destruction of covered animals if necessary. Humane destruction means the necessary euthanasia of an animal by a licensed veterinarian when such animal suffers an injury that is so excessive that immediate destruction is necessary for humane reasons.

2. We will not pay under Coverage for Animals for any loss, damage, or expense caused by or resulting from any treatment or process, or the rendering or failure to render any professional services.

B. Damage From Water or Other Liquid - Tear Out and Repair

If a covered loss is caused by or results from the escape of water or other liquid, including molten material, we will not pay for the cost to repair or replace the defective system or appliance from which such substances escaped. However, subject to the applicable limit of insurance, we will pay for the cost to:

1. Tear out and replace parts of **Property Insured**, whether or not such property is damaged, in order to repair covered loss or damage; and
2. Repair or replace damaged parts of **fire protection equipment** if such covered loss is caused by or results from the discharge of any substance from such **fire protection equipment**.

C. Expenses to Reduce a Business Income Loss

If a covered **business income** loss is sustained under this Coverage Form, then we will pay the necessary expenses you incur, except the cost of extinguishing a fire, to reduce or avoid further **business income** loss, but only to the extent they do not exceed the amount of **business income** loss that would otherwise have been paid.

X. Deductibles

A. Property Damage Loss

We will not pay for a **property damage loss** in any one occurrence or **loss event** until the amount of such **property damage loss** exceeds the Dollar Deductible Amount shown in the Declarations. Subject to Section XI. Limits of Insurance, we will then pay the amount of such **property damage loss** in excess of the deductible.

B. Time Element Loss

1. We will not pay for a **time element loss** in any one occurrence or **loss event** until the amount of such **time element loss** exceeds the deductible shown in the Declarations. Subject to Section XI. Limits of Insurance, we will then pay the amount of such **time element loss** in excess of the deductible.

2. How Your Business Income Deductible(s) will be Determined

- a. If the deductible stated in the Declarations is a Dollar Deductible Amount, then the stated dollar amount is the sum we will subtract from a **time element loss** in any one occurrence or **loss event**.
- b. If the deductible stated in the Declarations is an Hour Deductible, then we will not pay for any **time element loss** you sustain during the specified number of consecutive hours immediately following the occurrence of covered loss or damage. However, if a Minimum Deductible Amount is stated in the Declarations, then we will subtract at least the Minimum Deductible Amount from the **time element loss** you sustain in any one occurrence or **loss event**.

C. The following deductible provisions apply to Section V. Extensions of Coverage:

1. If the Declarations specify that a single deductible applies to **business real property** and **business personal property**, then such deductible applies to all **property damage loss** insured under Section V. Extensions of Coverage unless a specific deductible is shown in the Declarations.
2. If the Declarations specify that different deductibles apply to **business real property** and **business personal property** then:



4. The deductible described in the Declarations for **business real property** applies to all **property damage loss** insured under Newly Acquired Property Coverage and Unnamed Location Coverage; and
 5. The deductible described in the Declarations for **business personal property** applies to all **property damage loss** insured under other Extensions of Coverage; unless a specific deductible is shown in the Declarations applicable to a specified Extension of Coverage.
3. If the Declarations specify that a deductible applies to **time element loss**, then such deductible applies to a **time element loss** insured under Section V. Extensions of Coverage, unless a specific deductible is shown in the Declarations applicable to a specified Extension of Coverage.
4. If the Declarations specify that different deductibles apply to a **property damage loss** and a **time element loss**, and a **property damage loss** and a **time element loss** are insured under a single coverage provided under Section V. Extensions of Coverage, then deductibles will be applied as described below under Item X.D. of this Coverage Form.

D. When Multiple Deductibles Apply

If more than one deductible is applicable to a covered loss insured under this Coverage Form or the Commercial Property Coverage Section, then we will only apply the single highest deductible that is applicable. However, if deductibles are shown in the Declarations for a **property damage loss** and a **time element loss**, then each deductible will be subtracted from the applicable **property damage loss** and the applicable **time element loss** in any one occurrence or **loss event**.

E. Extra Expense or Expediting Expense Coverage

The deductibles stated in the Declarations do not apply to Extra Expense Coverage or Expediting Expense Coverage.

XI. Limits of Insurance

- A. The most we will pay for covered loss, damage, or expense in any one occurrence or **loss event** is the applicable Limit of Insurance or Sublimit of Insurance, whichever is less, shown in:
 1. The Declarations of this Coverage Form;
 2. The provisions within this Coverage Form; or
 3. Any endorsement attached to this Coverage Form which comprises a part of the Commercial Property Coverage Section.
- B. Payments under any Sublimit of Insurance shown in the Declarations are included within, not in addition to, any Limit of Insurance provided by this Coverage Form.
- C. Insurance is only provided for those coverages for which:
 1. An entry is shown by an X on the applicable line in the Declarations; and
 2. A dollar amount is shown as a Limit of Insurance or Sublimit of Insurance in the Declarations.
- D. If a coverage shown in the Declarations does not show a corresponding Limit of Insurance, then no insurance is provided for such coverage.
- E. If "0", "N/A", or "not covered" appears as a Limit of Insurance in the Declarations for a described coverage, then no insurance is provided for such described coverage.
- F. If the term "included" appears as a Limit of Insurance in the Declarations for a described coverage, then the Limit of Insurance for such coverage is included within, not in addition to, the applicable Limit of Insurance shown in the Declarations for Business Real Property, Business Personal Property, or Business Income and Extra Expense.



XII. Loss Conditions

A. Abandonment

There can be no abandonment of any property to us.

B. Appraisal

1. If we and you disagree on the **value** of the property, the amount of net income (net profit or loss before income taxes), the amount of operating expenses, or the amount of loss, then either party may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, then either party may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the applicable **value** of such property, the amount of such net income (net profit or loss before income taxes), the amount of such operating expenses, or the amount of such loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two parties will be binding. Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

2. If there is an appraisal, we will still retain our right to deny the claim.

C. Duties In The Event Of Loss Or Damage

1. In the event of covered loss or damage you must see that the following are done:

- a. Notify the police if a law may have been broken.
- b. Give us prompt notice of the loss or damage. Include a description of the property involved.
- c. Give us a description of how, when, and where loss or damage occurred as soon as possible.
- d. Take all reasonable steps to protect the covered property from further damage and, if feasible, set the damaged property aside and in the best possible order for examination. We will not pay for any subsequent loss or damage that is caused by or results from your failure to take such steps.
- e. Keep a record of your necessary expenses that you incurred:
 - (1) To protect covered property from further damage; and
 - (2) For emergency and temporary repairs;for consideration in the settlement of the claim. Such expenses incurred, if covered, will not increase the Limit of Insurance.
- f. At our request, give us complete inventory of the damaged and undamaged property. Include quantities, costs, values, and amount of loss claimed.
- g. As often as may be reasonably required, permit us to:
 - (1) Inspect your property in order to prove the loss or damage;
 - (2) Take samples of damaged and undamaged property for inspection, testing, and analysis; and
 - (3) Examine your books and records and make copies of such books and records.

- h. Send us a signed, sworn statement of loss containing the information we request to investigate the claim. We will supply the necessary forms. You must complete such forms within ninety (90) consecutive calendar days of our request.
- i. Cooperate with us in the investigation or settlement of the claim.

2. We may examine under oath:

- a. You, your partners, or **members**;



- b. **Managers**, officers, directors, trustees, or employees (including leased employees);
 - c. Authorized representatives, or anyone to whom you entrust property for any purpose while not in the presence of other such persons (other than your legal counsel), and at such times as may reasonably be required, about any matter relating to this Policy or a claim under this Policy including your books and records. In the event of an examination under oath, the person being examined must verify that their answers are accurately recorded.
3. The failure of any person, other than:
- a. You, your partners, or **member of your business**;
 - b. A person employed by **your business** as a **manager**, officer, director, or member of your management level staff; or
 - c. A trustee or other person with legal authority over **your business**;
- to notify us of any loss or damage that may be covered under this Coverage Form, shall not invalidate the insurance afforded by this Policy.
- D. Loss Payment
- 1. Within 30 days of receiving the properly executed, sworn statement of loss, we will give you notice that:
 - a. Your claim is denied;
 - b. Your claim will be paid; or
 - c. We need more time to determine whether your claim will be denied or paid; in whole or in part.
 - 2. If your claim is denied, then such notice will be in writing and will state any applicable Policy provision, condition, or exclusion used as the basis for the denial.
 - 3. For that portion of the loss or damage that is covered under this Coverage Form, we will pay your claim within 30 days of receiving the properly executed sworn statement of loss, if:
 - a. You have complied with all of the terms and conditions of the Policy; and
 - b. We have reached agreement with you on the amount of loss or an appraisal award has been made. However, we will not pay you more than your financial interest in lost or damaged property.
 - 4. If more time is needed to determine whether your claim should be denied or paid, then we will notify you in writing and state why more time is needed.
 - 5. We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, then such payments will satisfy your claims against us for the owners' property.

E. Pair or Set

If a covered loss occurs to your covered property that is part of a pair or set, then we will only pay for a reasonable and fair proportion of the total value of the pair or set. We will not pay on the basis of a loss to the entire pair or set.

F. Recovered Property

- 1. If either you or we recover any property after loss settlement, that party must give the other prompt notice. At your option, the property will be returned to you. If the recovered property is returned to you, then you must return to us the amount of the claim we paid to you for the property.
- 2. Subject to the Limit of Insurance described in the Declarations:
 - a. We will pay recovery expenses and the expenses to repair the recovered property; and



- b. If the recovered property is damaged and we agree that it cannot be restored, but you wish to keep the damaged property, then you will pay us the property's fair market value immediately after the recovery, but not more than the amount of the claim we paid you for the property.

XIII General Conditions

A. Authorization and Notices

You agree that the first Named Insured shown in the Declarations shall act on behalf of all other Named Insureds. All correspondence concerning the Commercial Property Coverage Section of this Policy will take place between the first Named Insured and us. Notice sent to the first Named Insured at the address of such first Named Insured stated in the Declarations shall also constitute notice to all Named Insureds.

B. Calculation of Premium

The premium shown in the Declarations was computed based on rates in effect at the time the Policy was issued. On each renewal, continuation, or anniversary of the effective date of this Policy, we will compute the premium in accordance with our rates and rules then in effect.

C. Cancellation and Nonrenewal

1. Cancellation

- a. The first Named Insured in the Declarations may cancel this Policy by mailing or delivering to us advance written notice of cancellation. The Policy will end on the effective date requested.
- b. We may cancel this Policy by mailing by first class mail or delivering to the first Named Insured and to the agent or broker of record, at the address shown in the Declarations, written notice of cancellation stating the reason for cancellation at least:
 - (1) Ten (10) consecutive calendar days before the effective date of cancellation if we cancel for nonpayment of premium; or
 - (2) Thirty (30) consecutive calendar days before the effective date of cancellation if we cancel for any other reason.
- c. Notice of cancellation will state the effective date of cancellation. The Policy Period will end on that date.
- d. If this Policy is canceled, then we will send the first Named Insured any premium refund due. If we cancel, then the refund will be pro rata. If the first Named Insured cancels, then the refund may be less than pro rata but no less than the amount determined by our rules in effect at the time. The cancellation will be effective even if we have not made or offered a refund.
- e. If notice is mailed, then proof of mailing will be sufficient proof of notice.

2. Nonrenewal

- a. We are not required to renew this Policy when it expires.
- b. If we elect not to renew this Policy, then we will mail by first class or deliver to the first Named Insured and the agent or broker of record, at their address shown in the Declarations, written notice stating the reason for nonrenewal, at least sixty (60) consecutive calendar days but not more than one hundred and twenty (120) consecutive calendar days before the effective date of nonrenewal.
- c. Notice of nonrenewal will state the effective date of nonrenewal. The Policy Period will end on the date of nonrenewal.
- d. If the notice is mailed, then proof of mailing will be sufficient proof of notice.

D. Changes

The Policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this Policy with



our consent. This Policy's terms can be amended or waived only by endorsement issued by us and made a part of this Policy.

E. Concealment, Misrepresentation, or Fraud

This Policy is void in any case of fraud by you. It is also void if you or any other insured, at any time, intentionally conceal or misrepresent a material fact concerning this Policy, covered property within this Policy, your interest in such covered property, or a claim under this Policy.

F. Conformity to Statute

Terms of the Coverage Form which are in conflict with the statutes of the state where such Policy is issued are amended to conform to such statutes.

G. Control of Property

Any act or neglect of any person other than you beyond your direction or control will not affect this insurance. The breach of any condition of this Policy at any one or more locations will not affect coverage at any one location where, at the time of loss or damage, the breach of condition does not exist.

H. Coverage Territory

Except as more specifically provided in this Coverage Form or the Commercial Property Coverage Section of this Policy, the coverage provided this Coverage Form and by the Commercial Property Coverage Section of this Policy applies as follows:

1. Other Than Transit Coverage

The Coverage Territory, other than for Transit Coverage, is the 48 contiguous States of the United States of America, the State of Alaska, the State of Hawaii, the District of Columbia, Puerto Rico, territories and possessions of the United States of America, and Canada.

2. Transit Coverage

The Coverage Territory for Transit Coverage is within and between the 48 contiguous States of the United States of America, the State of Alaska, the State of Hawaii, the District of Columbia, Puerto Rico, territories and possessions of the United States of America, and Canada.

I. Defense Costs

1. We may elect to defend any suit against you alleging direct physical loss or damage resulting from a **covered cause of loss to personal property of others**, if such **personal property of others** is insured under this Policy. However, we will not defend you against any suit, or that portion of a suit, for direct physical loss or damage to which this insurance does not apply.

2. If we elect to defend you, then we will do so at our expense to the extent of your liability, even if such suit is groundless, false, or fraudulent. We may, without prejudice, make such investigation, negotiation, or settlement of any such claim or suit as we deem expedient. But:

- a. The most we will pay for a covered loss to **personal property of others** is the applicable Limit of Insurance shown in the Declarations;
- b. Payments for our defense costs are in addition to the applicable Limit of Insurance; and
- c. Our defense of the suit will end when we have used up the applicable Limit of Insurance in the payment of judgments or settlements.

J. Examination of Your Books and Records

We may examine and audit your books and records as they relate to this Policy at any time during the Policy Period and up to three years afterward.

K. Inspections and Surveys



1. We have the right but are not obligated to make inspections and surveys at any time, give you reports on the conditions we find, and recommend changes.
2. Any such inspections, surveys, reports, or recommendations relate only to insurability and the premiums to be charged. We do not make safety inspections and we do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. We do not warrant that conditions are safe, healthful, or comply with laws, regulations, codes, or standards.
3. Items XIII.K.1. and 2. of this condition apply not only to us, but also to any rating, advisory, rate service, or similar organization which makes insurance inspections, surveys, reports, or recommendations.
4. Item XIII.K.2. of this condition does not apply to any inspections, surveys, reports or recommendations we make, or any other inspection service or other similar organization may make, relative to certification, under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels, or elevators.

L. Insurance Under Two or More Coverages

1. If two or more of this Policy's coverages apply to the same loss, damage, or expense, then we will not pay more than the actual amount of such loss, damage, or expense.
2. If two or more coverages apply to the same item of property which suffers covered loss or damage under:
 - a. This Coverage Form;
 - b. An Endorsement to this Coverage Form; or
 - c. This Policy;

then the most we will pay for any loss, damage, or expense is the largest single Limit of Insurance shown in the Declarations applicable to such covered property.

3. The applicable Limit of Insurance shown in the Declarations is the most we will pay for loss, damage, or expense under any coverage in this Coverage Form or the Commercial Property Coverage Section regardless of the number of Named Insureds or other interests that have suffered such loss, damage, or expense. Payments made under this Policy will not exceed the actual amount of covered loss, damage, or expense.

M. Legal Action Against Us

No one may bring a legal action against us under this Policy unless:

1. There has been full compliance with all of the terms of this Policy; and
2. The legal action is brought within 2 years after the date upon which the direct physical loss or damage occurred.

N. Liberalization Clause

If we adopt any revision that would broaden the coverage under this Policy without additional premium within 45 days prior to or during the Policy Period, then such broadened coverage will immediately apply to this Policy.

O. No Benefit to Bailee

No person or organization, other than you, having custody of covered property will benefit from this insurance.

P. Other Insurance

1. If you have other insurance subject to the same plan, terms, conditions, and provisions as the insurance provided under this Policy, then we will pay our share of the covered loss or damage. Our share is the proportion that the applicable Limit of Insurance under this Policy bears to the total Limits of Insurance for all insurance covering such loss or damage on the same basis.



2. If there is other insurance covering the same covered loss or damage, other than that described above in XIII P.1, then subject to the deductible shown in the Declarations, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. Our payment for any covered loss or damage is subject to the terms and conditions of this Policy and the applicable Limit of Insurance shown in the Declarations.

Q. Policy Period

Under this Policy we insure covered loss or damage commencing during the Policy Period shown in the Declarations.

R. Premiums

The first Named Insured shown in the Declarations is responsible for the payment of all premiums and will be the payee for any return premiums we pay.

S. Reinstatement of Limits After a Loss

Covered loss or damage sustained under this Coverage Form shall not reduce the Limits of Insurance shown in the Declarations, except where an **Annual Aggregate** Limit of Insurance applies. The reinstatement of any exhausted **Annual Aggregate** Limit of Insurance is not permitted unless authorized by us in writing.

T. Subrogation

1. Other Than Transit Coverage

If any person or organization to or for whom we make payment under this Coverage Form has rights to recover damages from another, then those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them. But you may waive your rights against another party in writing:

- a. Prior to loss to your covered property or covered income.
- b. After a loss to your covered property or covered income only if, at the time of loss, that party is one of the following:
 - (1) Someone insured by this insurance;
 - (2) A business firm owned or controlled by you or that owns or controls you; or
 - (3) Your tenant.

This will not restrict your insurance.

2. Transit Coverage

With respect to covered property under Transit Coverage, you are permitted to accept released value bills of lading from carriers for hire. You are not permitted to enter into any special agreements with carriers or bailees releasing them from their common law or statutory liability. We will not be liable for any loss or damage which, without our written consent, has been settled or compromised by you.

U. Trade or Economic Sanctions

Whenever coverage under this Policy would be in violation of any U.S. trade or economic sanctions such as, but not limited to, those sanctions administered and enforced by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC"), such coverage shall be null and void.

V. Transfer of Your Rights and Duties Under This Policy

1. Your rights and duties under this Policy may not be transferred without our written consent except in the case of death of an individual named insured.
2. If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed,



anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

XIV. Definitions

A. Words and phrases contained within this Coverage Form that appear in **bold face** have special meaning. When words or phrases that appear below in **bold face** do not appear in **bold face** in this Coverage Form, then those words or phrases are to be interpreted using their common meaning. The section below defines the following terms appearing in **bold face** which are used in this Coverage Form or in the Declarations applicable to this Coverage Form:

1. **Accounts receivable** means all records of amounts due from your customers on current accounts.
2. a. **Actual cash value** means the cost to repair or replace covered property which has sustained loss or damage with other property:
 - (1) Of like kind, quality, usefulness, size, and capacity, as that with which it was originally constructed; and
 - (2) Used for the same occupancy and purpose;
subject to a deduction for deterioration, depreciation, depletion, obsolescence, or a combination thereof.
- b. **Actual cash value** includes your interest in labor, materials, or services furnished or arranged by you and other expenses accrued, but only with respect to **buildings while in the course of construction**.
3. **Annual aggregate** means the most we will pay for all loss, damage, or expense arising from all occurrences, **loss events**, or both (as applicable), during any one Policy Period. **Annual Aggregate** Limits of Insurance are reduced by the amount of any paid loss.
If the Policy is written for a term of more than one year, then we will apply the **Annual Aggregate** Limit of Insurance separately to each consecutive year of the Policy Period. If the Policy is extended for a period of time that is less than a year, then the remaining **annual aggregate** from the prior term applies to the extended period of time.
4. a. **Buildings while in the course of construction** means **business real property** while in the course of initially being constructed or while undergoing alterations, remodeling, or renovations, including the following types of property:
 - (1) Any property used in the course of construction, alteration, remodeling, or renovation activities that is destined to become a permanent part of the building or realty surrounding such building; and
 - (2) Temporary structures built or assembled on the site which support such construction, alteration, remodeling, or renovation activities including cribbing, scaffolding, or construction forms.
- b. **Buildings while in the course of construction** does not mean:
 - (1) Outdoor trees, shrubs, plants or lawns;
 - (2) **Buildings while in the course of construction** for which separate insurance coverage has been obtained and such separate insurance covers your interest; or
 - (3) **Soft costs**.
5. a. **Business income** means:
 - (1) The net profit or loss before income taxes from your **operations** including:
 - (a) The sales of merchandise or services;
 - (b) The net sales value of manufacturing production;



- (c) Previously documented grants, research contracts, fund raising, or donations likely to reoccur;
 - (d) The lease or rental of tenant occupancies at a location, as furnished and equipped by you;
 - (2) Continuing normal operating expenses incurred, including your continuing normal payroll expenses;
 - (3) Charges which are the legal obligation of your tenants but would otherwise be your obligations; and
 - (4) The fair rental value of any portion of a location occupied by you;
that would have been earned or incurred by you had there been no covered loss or damage.
- b. If **ordinary payroll expense** is covered under this Coverage Form, then **business income** includes tip income of your employees as reported by you to the Internal Revenue Service.
- c. **Business income** does not mean bank interest or investment income.
6. **Business personal property** means the following types of property:
- a. **Accounts receivable**;
 - b. Animals owned by others while in your care, custody, or control, or animals you sell as **stock**;
 - c. **Data, media, and software**;
 - d. Furniture, fixtures, machinery, equipment, **mobile equipment**, materials, and supplies;
 - e. **Electronic data processing equipment**;
 - f. **Mobile communication equipment**;
 - g. Patterns, molds and dies;
 - h. **Personal effects**;
 - i. **Personal property of others**;
 - j. **Processing water**;
 - k. **Prototypes**;
 - l. **Research and development documentation**;
 - m. **Stock**;
 - n. **Tenant's improvements and betterments**;
 - o. Trees, shrubs and plants used inside the building as decoration; and
 - p. **Valuable papers and records**.
- Business personal property** does not mean outdoor trees, shrubs, plants, or lawns; **fine arts**; **money**; **securities**; or **salesperson's samples**.
7. **Business real property** means the following types of property:
- a. Buildings or structures, foundations, completed alterations, repairs, and additions to such buildings or structures; fixtures, permanently installed machinery and equipment; awnings; or glass forming a part of the structure, including lettering and ornamentation, whether located on the exterior or interior of such building or structure;
 - b. Underground pipes, flues, or drains necessary for the service of **business real property**;
 - c. Radio or television towers, antennas, and satellite dishes, including attachments;



- d. Personal property used to maintain or service the building including fire extinguishing equipment; outdoor furniture; floor coverings; and appliances used for refrigerating, ventilating, cooling, dishwashing, or laundering;
- e. Outdoor fixtures and structures, including light standards, fences, signs, well-housings; and artificial trees, shrubs, plants, and lawns; and
- f. **Buildings while in the course of construction.**

Business real property does not mean trees, shrubs, plants, or growing outdoors; any item which meets the definition of **fine arts**; or any item that is insured under Fine Arts Coverage contained in this Coverage Form.

- 8. **Cloud computing** means computer or information technology capabilities hosted by others and accessed through the internet or other means, including storage, software, applications, computing power, specially crafted development environments, and other computer or information technology related capabilities that are provided as a service.
- 9. **Collapse** means the actual abrupt falling down or caving in of a building or part of a building with the result that the building or part of the building cannot be occupied for its intended purpose. **Collapse** does not mean:
 - a. The threat of **collapse**, even if **collapse** is imminent; or
 - b. Impairment whether or not substantial; or
 - c. A condition of a building still standing including cracking, bulging, sagging, bending, shifting, leaning, settling, shrinkage, or expansion that could lead to or contribute to its actual abrupt falling down; or

As used in the definition of **collapse**, the term "building" does not include retaining walls or other structures that do not provide structural support to such building.

- 10. **Communicable disease** means any disease, bacteria, or virus that may be transmitted directly or indirectly from human or animal to a human.
- 11. **Communicable disease event** means an event in which a **public health authority** has ordered that a location be evacuated, decontaminated, or disinfected due to the outbreak of a **communicable disease** at such location.
- 12. **Counterfeit** means an imitation of an actual valid original intended to deceive and to be taken as the original.
- 13. **Covered cause of loss** means risks of direct physical loss or damage not excluded or limited in this Coverage Form.
- 14. **Data, media, and software:**
 - a. The Definitions described below in XIV.A.14.b. apply separately to **data, media, and software** which
 - (1) You own; or
 - (2) Is owned by others and is in your care, custody, or control.
 - b. (1) **Data** means information other than **software**, which has been recorded, installed, or stored on media and is usable in your **electronic data processing equipment or mobile communication equipment**. **Data** also means the original source **data** installed or included within **electronic data processing equipment or mobile communications equipment**.
 - (2) **Media** means the physical materials upon which **data** or **software** are recorded, installed, or stored; and **media** originally installed or included within **electronic data processing equipment or mobile communication equipment**.



- (3) **Software** means instructions, programs, or routines that are recorded, installed or stored on **media** which are used to control or direct processes, computing, or other functions in your **electronic data processing equipment or mobile communication equipment**. **Software** also means the original **software** installed or included within **electronic data processing equipment or mobile communication equipment** used to program or control the functions and processes of such equipment.
- (4) **Data, media, or software** does not mean **data, media, or software**:
- Held for sale; or
 - No longer used in your **operations**.
15. **Dependent property** means property operated by others upon whom you depend to:
- Deliver materials or services to you or to others for your account other than **utility services** (Contributing Locations);
 - Accept your products or services (Recipient Locations);
 - Manufacture products for delivery to your customers under contract of sale (Manufacturing Locations); and
 - Attract customers to your business (Leader Locations).
16. **Detrimental code** means any computer virus, malware, program, routine, sub-routine, trojan horse, worm, script, or other code string that damages, destroys, alters, or corrupts **Property Insured** or **personal property of others**.
17. **Earth movement** means any natural or man-made earth movement, including **earthquake**; landslide; avalanche; **volcanic action**; the sinking, rising, shifting, subsidence, settling, erosion, expansion, or contraction of earth; or **mine subsidence**. **Earth movement** includes:
- Tsunami or tidal waves caused by or resulting from **earth movement**; and
 - Fire protection equipment leakage from earth movement**.
- Earth movement** does not include **sinkhole collapse**.
18. **Earthquake** means, tremors or vibrations within and upon the earth's crust caused by seismic displacement, rupture or creation of faults within the earth's crust that are associated with natural tectonic processes.
19. a. **Electronic data processing equipment** means:
- Computer hardware;
 - Machinery or equipment; and
 - Voice communication systems**;
- which uses **software** for the input, output, processing, or storage of **data**; or to control or direct processes.
- b. **Electronic data processing equipment** does not mean:
- Electronic data processing equipment** held for sale; or
 - Mobile communication equipment**.
20. **Expediting expense** means the following necessary extra costs, including overtime wages and express freight or other rapid means of transportation, in order to expedite:
- Emergency or temporary repairs of damaged covered property; or
 - Permanent repair or replacement of such damaged property.



21. **Extra expense** means the necessary expenses you incur during the period of restoration, over and above the expenses you would have normally incurred had there been no covered loss, in order to:
 - a. Avoid or minimize the suspension of business and to continue operations at the location or at replacement or temporary locations, including relocation expenses and costs to equip and operate such replacement or temporary locations;
 - b. Minimize the suspension of business if you cannot continue operations; or
 - c. Repair or replace covered property, but only to the extent it reduces the amount of loss that otherwise would have been payable under Business Income and Extra Expense Coverage.
22. **Fair market value** means the price that a willing buyer would pay to a willing seller in an open market if the property had been offered for sale on the date of the loss.
23. **Fine arts** means the following types of property that are bona fide works of art which:
 1. You own; or
 2. Are owned by others and are in your care, custody, or control;including items that are part of a pair or set: Paintings; rare books; etchings; pictures; prints; drawings; tapestries; rugs; sculptures; statuary; pottery; marbles; bronzes; antique furniture; antique silver; manuscripts; porcelains; rare glass; stained glass, whether a part of **business real property** or not; and items of rarity, historical value, or artistic merit, including trophies, scientific instruments or experiments, or musical instruments.
24. **Finished stock** means **stock** you have manufactured including whiskey and alcoholic products being aged, but does not include **stock** you have manufactured which is in its completed state and held for sale at the **location** of any distribution warehouse, wholesale outlet, or retail outlet.
25. **Fire protection equipment** means wet, dry, chemical, or gaseous fire suppression systems including sprinklers or discharge nozzles; supply lines, ducts, or piping; fire suppression supply tanks; pumps; water mains or hydrants; standpipes or outlets; and their component parts or supports; which you own, lease, or rent from others.
26. **Fire protection equipment leakage from earth movement** means leakage or discharge of any substance from **fire protection equipment** caused by or resulting from **earth movement**.
27. **Flood** means a general and temporary condition of partial or complete inundation of normally dry land areas from the following, regardless of how caused, whether driven by wind or not:
 - a. Waves, tides, tidal waves, tsunami, or storm surge;
 - b. The unusual and rapid accumulation or run-off of surface waters from any source;
 - c. Mud flow or mudslides caused or precipitated by accumulation of water on or under the ground;
 - d. The overflow or expansion beyond normal boundaries of inland or tidal waters, including natural or man-made lakes, reservoirs, ponds, brooks, rivers, streams, harbors, seas, oceans, or any other body of water or watercourse; or
 - e. Any material, object, or debris that is carried, propelled, or in any manner moved by a **flood**.

Flood is not any weather condition as referenced in the definitions of **hurricane**, **named storm**, or **storm**.
28. **Forgery** means the signing of the name of another person or organization with intent to deceive. **Forgery** does not mean a signature which consists in whole or in part of one's own name signed with or without authority, in any capacity, for any purpose.
29. **Fungus** means all types of fungus, such as mildew and mold, and all of their resulting spores and byproducts, including mycotoxins and allergens. **Fungus** does not mean **fungus** for human ingestion.



30. a. **Hurricane** means a hurricane, typhoon, or tropical cyclone that, as reported or recorded by the National Weather Service:
- (1) Has sustained wind speed of 74 miles per hour or greater; or
 - (2) Has been declared to be a hurricane.
- b. **Hurricane** includes loss or damage to the interior of any covered building or structure or to covered property located inside any building or structure which is caused by or resulting from:
- (1) An opening in such building or structure created by the force of a **hurricane**;
 - (2) One or more tornados that are the result of a **hurricane**;
 - (3) Any hail, rain, material, object, or debris that is carried, propelled, or in any manner moved by a **hurricane**; and
 - (4) Any weather condition other than a **hurricane**, if such loss or damage would not have occurred but for the occurrence of a **hurricane**.
31. **Information restoration cost** means the least of the following dollar amounts:
- a. The cost to reproduce covered property from back-up files or original source documents;
 - b. The cost to purchase covered property of comparable kind, functionality, and quality, intended to be used for the same purpose that existed immediately before loss or damage;
 - c. The necessary cost to research, repair, restore, recreate, or replace covered property, used for the same purpose and to the same condition that existed immediately before loss or damage; or
 - d. The amount you actually spend to research, repair, restore, recreate, or replace covered property used for the same purpose and to the same condition that existed immediately before loss or damage;
- without a deduction for physical deterioration, depreciation, depletion, or obsolescence.
32. **Loading** means the act of moving **Property Insured** from the ground or a platform immediately adjacent to the transporting conveyance onto the transporting conveyance. **Loading** begins when the slings or other devices used to move **Property Insured** have been attached, or the act of lifting or moving such property onto the transporting conveyance has begun. **Loading** ends when **Property Insured** has been placed on the transporting conveyance and any slings or other devices used to move such property have been released.
33. **Location** means the legal boundaries of a parcel of property at the address described in the Declarations. If the word "location" is not shown in **bold face**, then such reference includes all of the following:
- a. **Location(s)**; and
 - b. The legal boundaries of a parcel of property insured by Newly Acquired Location Coverage, or Unnamed Location Coverage, or both.
34. **Loss event** means:
- a. With respect to a single **hurricane**, all elements of loss, regardless of the number of locations involved, caused by or resulting from a **hurricane** and includes the period of time:
 - (1) When a **hurricane** watch or warning with respect to such **hurricane** is declared; and
 - (2) The entire duration of the **hurricane**; and
 - (3) 72 hours immediately following the reclassification of a **hurricane** to a lesser **storm** or **named storm**;
- as reported or recorded by the National Weather Service (NWS). A single **hurricane** will constitute a single **loss event**.



- d. With respect to subsequent **hurricanes** that cause loss or damage after a **hurricane** begins as described in Item XIV.A.34.a.(1) above, all elements of loss, regardless of the number of locations involved, caused by or resulting from such subsequent **hurricanes** that:
 - (1) Cause loss or damage at your location(s) subsequent to the initial **hurricane** affecting such location(s); and
 - (2) Are declared a **hurricane** before, with respect to the initial **hurricane**, the expiration of the time period described in Item XIV.A.34.a(3) above; and
 - (3) Occur within the interval of time described in Item XIV.A.34.a. above, such that assignment of loss or damage to a specific **hurricane** is not possible.

Multiple **hurricanes** that originate within this defined period of time will constitute a single **loss event**.
 - c. With respect to a single **named storm**, all elements of loss, regardless of the number of locations involved, caused by or resulting from a **named storm** and includes the period of time:
 - (1) When the NWS issues a watch or warning with respect to such **named storm**; and
 - (2) The entire duration of the **named storm**; and
 - (3) Ends when such watch or warning is terminated by the NWS with respect to such **named storm**.
 - d. With respect to subsequent **named storms** that cause loss or damage after a **named storm** begins as described in Item XIV.A.34.c.(1) above, all elements of loss, regardless of the number of locations involved, caused by or resulting from such subsequent **named storms** that:
 - (1) Cause loss or damage at your location(s) subsequent to the initial **named storm** affecting such location(s); and
 - (2) Are declared a **named storm** before, with respect to the initial **named storm**, the expiration of the time period described in Item XIV.A.34.c(3) above; and
 - (3) Occur within the interval of time described in Item XIV.A.34.c. above, such that assignment of loss or damage to a specific **named storm** is not possible.

Multiple **named storms** that originate within this defined period of time will constitute a single **loss event**.
 - e. With respect to a single **storm**, all elements of loss, regardless of the number of locations involved, caused by or resulting from such **storm** as reported or recorded by the NWS or other similar weather reporting agency. A single **storm** will constitute a single **loss event**.
 - f. With respect to multiple **storms** all elements of loss, regardless of the number of locations involved, caused by or resulting from such multiple **storms** where assignment of the loss to a specific **storm**, as reported or recorded by the NWS or other similar weather reporting agency, is not possible because the **storms** occur within an interval of time that makes assignment to a specific storm impossible. Multiple **storms** that originate within this defined period of time will constitute a single **loss event**.
 - g. The expiration of this Policy will not reduce the time periods described above in Item XIV.A.34.a., b., c., d., e., and f.
35. **Manager** means a person or entity responsible for managing a limited liability company.
36. **Member** means an owner of a limited liability company represented by its membership interest, who also may serve as a **manager**.
37. **Messenger** means you, your partners, **members**, officers, **managers**, directors, trustees, or employees (including leased employees) while having care, custody, or control of **money**, **securities**, or both outside the **premises**.



38. **Mine subsidence** means a failure or subsidence initiated at the mine level of a man-made underground mine, including coal, clay, limestone, or fluorspar mines, whether or not mining activity has ceased.
39. a. **Mobile communication equipment** means handheld communication devices which:
- (1) You own; or
 - (2) Are owned by others and are in your care, custody, or control, including portable laptop computers, cellular telephones, computer tablets, pagers, personal digital assistants (PDAs), global positioning devices, and their accessories.
- b. **Mobile communication equipment** does not mean **mobile communication equipment** held for sale.
40. a. **Mobile equipment** means mobile machinery and equipment which:
- (1) You own; or
 - (2) Is owned by others and is in your care, custody, or control; whether or not such property is permanently mounted on a **vehicle**. If **mobile equipment** is permanently mounted on a **vehicle**, then such **vehicle** will also be considered **mobile equipment**. **Mobile equipment** includes cranes; backhoes; bulldozers; tractors; graders; hand tools; and accessories, repair parts, or spare parts, intended for use in the operation or maintenance of such **mobile equipment**.
- b. **Mobile equipment** does not mean:
- (1) A **vehicle**;
 - (2) **Mobile equipment** held for sale; or
 - (3) **Mobile equipment** covered under any other insurance.
41. **Money** means:
- a. Currency, coins, and bank notes in current use and having a face value; and
 - b. Unused money orders, food stamps, travelers checks, register checks, tokens, lottery and other tickets; but only when held by you in storage or for sale to the public.
42. a. **Named storm** means a specific storm system, including **hurricane**, that has been named by the National Weather Service.:
- b. **Named storm** includes loss or damage to the interior of any covered building or structure or to covered property located inside any building or structure which is caused by or resulting from:
- (1) An opening in such building or structure created by the force of a **named storm**;
 - (2) One or more tornados that are the result of a **named storm**;
 - (3) Any hail, rain, material, object, or debris that is carried, propelled, or in any manner moved by a **named storm**; and
 - (4) Any weather condition other than a **named storm**, if such loss or damage would not have occurred but for the occurrence of a **named storm**.
43. **Net leasehold interest** means the present value of your Gross Lessee's Leasehold Interest or Gross Lessor's Leasehold Interest for each remaining month, or portion thereof, of the unexpired term of the lease or rental agreement computed at the prime rate of interest in effect at the time of loss.
44. **Non-conforming property** means **Property Insured** whose height, floor area, number of units, leasable square footage, occupancy, or style was permitted at the time of original construction, but whose height, floor area, number of units, leasable square footage, occupancy, or style is not permitted by an **ordinance or law** in force at the time of the covered loss.



45. Operational replacement cost means:

- (a) The cost to repair covered property which has sustained loss or damage to the same functionality and purpose that existed immediately before such loss or damage without deduction for physical deterioration, depreciation, depletion, or obsolescence; or
- (b) If repair of covered property which has sustained loss or damage is not possible due to the extent of loss or damage, or as a result of obsolescence, then the cost to replace such property, including delivery and setup costs, with similar new property to be used for the same purpose and which provides the same functionality that such property provided immediately before such loss or damage, even if the capacity of the replaced property is improved, without deduction for physical deterioration, depreciation, depletion, or obsolescence.

46. Operations means the usual and customary business activities in the conduct of **your business** occurring at the **location**, including the tenability of the **premises**.

47. Ordinance or law means any ordinance, law, regulation, or rule that is in force at the time of the covered loss or damage and:

- a. Regulates the construction, use, occupancy, operation, improvement, replacement, modification, installation, zoning, or repair of any property; or
- b. Requires the demolition or tearing down of any property, including the cost of removing its debris.

48. Ordinary payroll expense means payroll expenses for all your employees except: Officers; executives; department managers; employees under contract; and any Additional Exemptions From Ordinary Payroll as described in the Declarations under the heading Job Classifications or Employees.

Ordinary payroll expense includes payroll; employee benefits, if directly related to payroll; FICA payments you pay; union dues you pay; and workers compensation premiums.

49. Overhead transmission lines and equipment means:

- a. Overhead transmission or distribution lines supplying electricity, telephone, radio, internet, television, or other services to a **location**; and
- b. Overhead transformers or other overhead equipment which assist in supplying electricity, telephone, radio, internet, television, or other services to a **location**; and
- c. Any towers, poles, or similar supporting structures.

50. a. Period of restoration means the period of time that begins immediately after the time of direct physical loss or damage caused by or resulting from a **covered cause of loss** to property at the **location** and ends on the earlier of:

- (1) The date when such property at the **location** should be repaired, rebuilt, or replaced with reasonable speed and like kind and quality; or
 - (2) The date when business is resumed at a new permanent location.
- b. **Period of restoration** does not include any increased period due to the enforcement of any **ordinance or law**, including any **ordinance or law** that requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize, or in any way respond to, or assess the effects of **pollutants**.
- c. The expiration date of this Policy will not cut short the **period of restoration**.

51. Personal effects means apparel, tools, and other personal possessions owned by you, your partners, **members**, officers, **managers**, directors, trustees, or employees (including leased employees). **Personal effects** does not mean a vehicle.

52. Personal property of others means personal property that does not belong to you and is in your care, custody, or control. **Personal property of others** does not mean personal property you lease or rent from others or **personal effects**.



53. **Pollutants** means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalies, chemicals, asbestos, and waste. Waste includes material to be recycled, reconditioned, or reclaimed.
54. **Premises** means the building(s) at the **location** you occupy. If you occupy only part of the building at the location, then your **premises** is the portion of the building which you rent, lease, or occupy.
55. **Processing water** means water used in your **operations**, which is contained within any enclosed water storage tanks, associated piping used for the delivery of such water; or processing equipment.
56. **Property damage loss** means covered loss, damage, or expense insured under any coverage provided by this Coverage Form, other than that insured under a **time element loss**.
57. **Property Insured** means **business real property**, **business personal property**, or both.
58. a. **Prototype** means an original version or model of a newly designed product which:
 - (1) You own; or
 - (2) Is owned by others and is in your care, custody, or control.A **prototype** includes cultures, sample designs, experimental models or displays integral to the manufacture of the original version or model of a newly designed product.
- b. **Prototype** does not mean stock held for sale.
59. **Public health authority** means the governmental authority having jurisdiction over your **operations** relative to health and hygiene standards necessary for the protection of the public.
60. a. **Replacement cost** means the cost to repair or replace covered property which has sustained loss or damage with other property:
 - (1) Of like kind, quality, size, and capacity, as that with which it was originally constructed; and
 - (2) Used for the same occupancy and purpose;without a deduction for physical deterioration, depreciation, depletion, or obsolescence.
- b. **Replacement cost** includes:
 - (1) The cost of digging, excavating, backfilling, filling, or grading of land directly related to the repair, rebuilding, or replacement of **business real property**; and
 - (2) Your interest in labor, materials, or services furnished or arranged by you and other expenses accrued, but only with respect to **buildings while in the course of construction** or **business personal property** insured under Installation Coverage.
61. **Research and development documentation** means recorded evidence of your **research and development operations** which:
 - a. You own; or
 - b. Is owned by others and is in your care, custody, or control.**Research and development documentation** includes facts, information, research, concepts, processes, or formulas that are directly related to the development of new products or enhancement of existing products.
62. **Research and development operations** means your **operations** that are directly related to the development of new products or enhancement of existing products.
63. **Salesperson's samples** means samples of **stock** while in the care, custody, or control of a salesperson employed by you.



64. **Securities** means negotiable and nonnegotiable instruments or contracts representing either money or property and includes:
- Checks, drafts, money orders, travelers checks, and register checks drawn to your order that you have accepted as payment;
 - Revenue and other stamps in current use (whether represented by actual unused stamps or unused value in a meter); and
 - Evidences of debt issued in connection with credit or charge cards that you have accepted as payment, which cards are not issued by you.

Securities does not include **money**.

65. **Sinkhole collapse** means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite. **Sinkhole collapse** does not mean sinking, subsidence, or collapse of land into a man-made underground mine or other such cavity, or the cost of filling sinkholes.

66. **Soft costs** mean:

- Realty taxes or other government assessments which you incur;
- Insurance premiums;
- Marketing, advertising, and promotional expenses;
- Commissions which result from renegotiation of leases and other similar extra expenses;
- Fees for services from attorneys, architects, engineers, surveyors, public accountants, or Certified Public Accountants;
- Permit fees; and
- Interest expense incurred including bond interest, financing fees or charges, or other debt service payments, on money you borrow in order to finance construction or repair.

Soft costs do not include fees for any services from a public adjuster.

67. a. **Stock** means the following:

- Merchandise including animals which are held for sale, or for delivery after sale;
- Raw materials, in the state in which you receive it, used for conversion into **finished stock**;
- Stock-in-process, which is raw materials that are undergoing the mechanical process of manufacturing, aging, or seasoning but which is not yet **finished stock**; or
- Finished stock**.

- b. **Stock** includes:

- Your interest in labor, materials, or services furnished or arranged by you on **personal property of others**; or
- Supplies used in packing or shipping of any of these items described as **stock** including the shipping or marketing container.

68. a. **Storm** means all types of weather conditions, atmospheric disturbances, precipitation, or any combination thereof, including tornados, wind, hail, rain, snow, ice, sleet, sand, or dust, whether driven by wind or not, but not including **hurricane, named storm**, or changes in temperature.
- b. **Storm** includes loss or damage to the interior of any covered building or structure or to covered property located inside any building or structure which is caused by or resulting from:
- An opening in such building or structure created by the force of a **storm**;



- (2) The weight or accumulation of hail, rain, snow, ice, sleet, sand, or dust; or
 - (3) Any hail, rain, material, object, or debris that is carried, propelled, or in any manner moved by the force of a storm.
69. **Suspension** means the slowdown or cessation of your **operations**, or that a part or all of the described **premises** is rendered untenable.
70. a. **Tenant's improvements and betterments** means fixtures, alterations, installations, or additions:
 - (1) Made a part of the **business real property** you occupy but do not own; and
 - (2) You acquired or made at your expense, exclusive of rent paid by you, and cannot legally remove.b. **Tenant's improvements and betterments** also means **business personal property**, including the value of any repairs, additions, or improvements, while awaiting or during the course of construction or renovation activities as long as such property is destined to become a **tenant improvement and betterment** and a permanent part of **business real property**.
- c. **Tenant's improvements and betterments** while in the course of construction does not mean:
 - (1) **Soft costs**; or
 - (2) **Tenant's improvements and betterments** for which separate insurance coverage has been obtained and such separate insurance covers your interest.
71. **Tenant moving costs** means the following documented and necessary costs or fees associated with moving from and moving back to the **premises** for:
- a. Packing, insuring, and carting **business personal property**;
 - b. Re-establishing utility services that were in place prior to the tenant moving from the **premises**, less refunds from discontinued services;
 - c. Assembling and setting up fixtures and equipment;
 - d. Unpacking and re-shelving of **stock** and supplies; and
 - e. Rent abatement offered to the tenant(s) as an incentive to reoccupy the premises.
72. **Theft** means any act of stealing, including robbery or burglary.
73. **Time element loss** means a covered **business income** or **extra expense** loss such as losses insured under the following types of coverage: Business Income Coverage; Extra Expense Coverage; Business Income with Extra Expense; Extended Business Income and Extra Expense Coverage; Dependent Property Coverage; Rental Value Coverage; Utility Services Coverage.
74. **Transit** means the transportation or shipping of **Property Insured** using your **vehicles** or carriers for hire:
 - a. If the mode of transportation is a **vehicle** which you own, lease, rent, or operate, then **transit** begins from the time **Property Insured** departs from your location or the originating point of shipment.
 - b. If the mode of transportation is a carrier for hire, then **transit** begins from the time **Property Insured** is placed in the care, custody, or control of any carrier for hire.
 - c. **Transit** extends continuously thereafter, while in the due course of **transit**, and includes any reasonable stops, interruptions, delays or transfers incidental to the route and method of shipment including connecting carriers.
 - d. **Transit** ends on the earlier of the following:
 - (1) When responsibility for the **Property Insured** is the buyer's in accordance with the terms of sale or bill of lading, as applicable;



- (2) When the **Property Insured** is accepted by or on behalf of the consignee or receiver at the intended destination; or
- (3) When the **Property Insured** arrives at a location.
75. **Unloading** means the act of moving **Property Insured** from the transporting conveyance to a consignee's conveyance a platform, or the ground immediately adjacent to the transporting conveyance. **Unloading** ends when **Property Insured** has been placed on the consignee's conveyance, ground, or loading platform and the any slings or other devices used to move such property have been released.
76. **Utility services** means services that are necessary to conduct your **operations** at the **location**, including:
- Water Supply Services, defined as the following types of property supplying water to the **location**: Pumping stations and water mains.
 - Communication Supply Services, defined as the following types of property supplying telephone, internet, cellular, radio, microwave, **cloud computing**, or television services to the **location**: Communication transmission or distribution lines, including fiber optic transmission or distribution lines; coaxial cables; microwave radio relays; and satellites.
 - Power Supply Services, defined as the following types of property supplying electricity to the **location**: Utility generating plants; switching stations; substations; transformers; and transmission or distribution lines.
 - Sewage Treatment Services, defined as the following types of property discharging sewage from the **location**: Pumping stations; sewer lines; and public waste treatment plants.
 - Other Supply Services supplying goods or services to the **location** necessary for your **operations**, including refrigeration, steam, gas, or fuel.
77. a. **Valuable papers and records** mean the following types of property which you own; or is owned by others and is in your care, custody, or control:
- Inscribed, printed, or written documents such as: Passports; manuscripts or records; abstracts; books; magazines; periodicals; newspapers; deeds; drawings; mechanical drawings; maps; stamp collections; mortgages or leases; and
 - Recordings of any type such as: Film, negatives, slides, photographs, videotape, cylinders, or vinyl records, including such records which exist in electronic or magnetic media, discs, or tape.
- b. **Valuable papers and records** do not mean:
- Money or securities**;
 - Valuable papers and records** held for sale; or
 - Valuable papers and records** no longer used in your **operations**.
78. **Value** means the monetary worth of covered property at the time of covered loss or damage that is determined based on the applicable valuation method.
79. **Vehicle(s)** means any:
- Self-propelled land motor vehicle required to be licensed for use on public roads including: Automobiles, buses, motorcycles, trucks, or tractors;
 - Trailers or semi-trailers required to be licensed for use on public roads; or
 - Similar means of transporting people or property on land.
- Two or more **vehicles** connected together will be considered a single **vehicle**. A **vehicle** does not mean **mobile equipment**.



- 80. **Voice communication systems** means telephone systems, telephone switch-gear including operating programs and related software, voice terminals, telephone circuit packs, and other such equipment and component parts whose function is the transmission of voice communications.
 - 81. **Volcanic action** means the eruption, explosion, or effusion of a volcano including the airborne volcanic blast; airborne shock waves; ash, dust, or particulate matter; lava flow, mud flow, or other debris flow.
 - 82. **Your business** means the trade, profession, or occupation in which you are engaged.
- B. Additional Definitions may be included within endorsements that may be attached to this Coverage Form.

Property-Gard Pinnacle® - Additional Covered Causes of Loss 250001 01 13

Policy Amendment - Commercial Property Coverage Section

This Endorsement modifies insurance provided under the Property-Gard Pinnacle Coverage Form - 250000.

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- I. A. If a Limit of Insurance is shown in the Declarations applicable to this Endorsement for any of the following causes of loss, then each such cause of loss is a **covered cause of loss** and we will pay for direct physical loss or damage to **Property Insured** caused by or resulting from such **covered cause(s) of loss** at a **location** shown in the Declarations applicable to this Endorsement:
 - 1. **Earth movement;**
 - 2. **Fire protection equipment leakage from earth movement;** or
 - 3. **Flood.**
 - B. Business Income and Extra Expense
 - 1. If the Declarations show you have Business Income and Extra Expense Coverage, then we will pay for the actual loss of **business income** or necessary **extra expense** that you sustain due to the necessary **suspension** of your **operations** during the **period of restoration**. The **suspension** of your **operations** must be caused by or result from direct physical loss or damage to property at a **location** shown in the Declarations applicable to this Endorsement caused by a **covered cause of loss** insured under this Endorsement.
 - 2. A covered loss under this Endorsement involving **business income** or necessary **extra expense** will be governed by the terms and conditions of Business Income and Extra Expense Coverage provided under the Property-Gard - Pinnacle Coverage Form - 250000 but will be subject to the Limits of Insurance shown in the Declarations applicable to this Endorsement.
 - C. 1. If **earth movement or fire protection equipment leakage from earth movement** are **covered causes of loss** insured under this Endorsement, then the Earth Movement exclusion (Item IV.A.3.a.) contained in the Property-Gard - Pinnacle Coverage Form - 250000 does not apply, but only with respect to coverage provided by this Endorsement.
 - 2. If **flood** is a **covered causes of loss** insured under this Endorsement, then the Flood exclusion (Item IV.A.3.b.) contained in the Property-Gard - Pinnacle Coverage Form - 250000 does not apply, but only with respect to coverage provided by this Endorsement.

II. Additional Exclusions

The following exclusions are added to Item IV.A.1. of the Property-Gard Pinnacle Coverage Form - 250000 with respect to coverage provided by this Endorsement:

- A. **Earth movement, fire protection equipment leakage from earth movement, or flood** that begins before the inception of this Policy; or
- B. The cost to remove ash, dust, or other particulate matter caused by or resulting from **volcanic action** that does not cause direct physical loss or damage to property insured by this Endorsement.

III. Deductible

- A. 1. If **flood** is a **covered causes of loss** insured under this Endorsement, then the Flood exclusion (Item IV.A.3.b.) contained in the Property-Gard - Pinnacle Coverage Form - 250000 does not apply, but only with respect to coverage provided by this Endorsement.



2. The deductible(s) stated in the Declarations, applicable to the **covered causes of loss** insured under this Endorsement, apply to each **loss event**, except as described below in Item III.B.3.
3. We will not pay for **covered property damage loss or time element loss** in any one **loss event** until the amount of **covered property damage loss or time element loss** exceeds the deductible shown in the Declarations applicable to the **covered causes of loss** insured under this Endorsement. We will then pay the amount of such **covered property damage loss or time element loss** in excess of the deductible, up to the applicable Limit of Insurance.

B. Property Damage Loss

1. If the deductible stated in the Declarations applicable to this Endorsement is a Dollar Deductible Amount, then the stated dollar amount is the sum we will subtract from a covered **property damage loss** in any one **loss event**.
2. If the deductible stated in the Declarations applicable to this Endorsement is a Percentage Deductible, then for covered property that has sustained loss or damage, the sum we will subtract from a **property damage loss** in any one **loss event** is the indicated percentage multiplied by 100% of the total **value** of such covered property immediately prior to the loss. However, if a Minimum Deductible amount is stated in the Declarations, then we will subtract at least the Minimum Deductible amount from the covered **property damage loss** you sustain in any one **loss event**.
3. The Dollar Deductible Amount and Percentage Deductible indicated in the Declarations applicable to this Endorsement will be calculated separately for and applied separately to the following subjects of insurance for each **loss event** wherever such loss or damage is sustained and for which claim is made:
 - a. Each **building** that sustains covered loss or damage, if any part of such **building** sustains covered loss or damage;
 - b. **Business personal property** in each **building**, if any portion of such **business personal property** sustains covered loss or damage;
 - c. **Business personal property** situated outside of a **building** and in the open, and **business real property** other than **buildings** situated outside of a **building** and in the open, if any portion of such property sustains covered loss or damage; and
 - d. Any other covered property insured by an Extension of Coverage under Section V. of the Property-Gard- Pinnacle Coverage Form - 250000.

C. Time Element Loss

1. If the deductible stated in the Declarations applicable to this Endorsement is a Dollar Deductible Amount, then the stated dollar amount is the sum we will subtract from a covered **time element loss** in any one **loss event**.
2. If the deductible stated in the Declarations applicable to this Endorsement is an Hour Deductible, then we will not pay for any covered **time element loss** you sustain during the specified number of consecutive hours immediately following the initial covered loss or damage. However, if a Minimum Deductible amount is stated in the Declarations applicable to this Endorsement, then we will subtract at least the Minimum Deductible amount from the covered **time element loss** you sustain in any one **loss event**.

D. When Multiple Deductibles Apply

If more than one deductible is applicable to covered loss, damage, or expense insured under this Endorsement, then each such deductible applies separately and will be determined based on the deductible shown in the Declarations applicable to this Endorsement. If deductibles are shown in the Declarations applicable to this Endorsement for a **property damage loss** and a **time element loss**, then each deductible will be subtracted from the applicable covered **property damage loss or time element loss** in any one **loss event**.



IV. Limits of Insurance

- A. Regardless of any other coverage, Limits of Insurance stated in this Policy, or the number of locations involved, the most we will pay for **property damage loss** or **time element loss**, or both, in any one **loss event** caused by or resulting from a **covered cause of loss** is the Blanket Per Loss Event Limit of Insurance shown in the Declarations applicable to this Endorsement. However, the most we will pay with respect to such losses to a **location** that has been assigned a Per Loss Event Sublimit of Insurance is the applicable Per Loss Event Sublimit of Insurance shown in the Declarations applicable to this Endorsement.
- B. If the Declarations applicable to this Endorsement show a Blanket Per Loss Event Limit of Insurance in conjunction with a Per Loss Event Sublimit of Insurance, then such sublimit is included within, not in addition to, the corresponding Blanket Per Loss Event Limit of Insurance.
- C. The most we will pay for **property damage loss** or **time element loss** in all **loss events** in any one Policy Period under this Endorsement, is the **Annual Aggregate** Limit of Insurance shown in the Declarations applicable to this Endorsement.
- D. If a **covered cause of loss** insured under this Endorsement causes fire or explosion, and both **covered causes of loss** create covered loss or damage, then only the higher of the two Limits of Insurance will apply.

V. Additional Definitions

The following are additional definitions applicable only to this Endorsement:

- A. **Building** means a type of **business real property** which is a structure used to support or shelter your operations.
- B. **Loss event** means:
 1. With respect to **earth movement** and **fire protection equipment leakage from earth movement**, all elements of loss, regardless of the number of locations involved, caused by or resulting from **earth movement** and **fire protection equipment leakage from earth movement**. All **earth movement** that occurs within any 168 hour period will constitute a single **loss event**. The expiration of this Policy will not reduce the 168 hour period.
 2. With respect to **flood**, all elements of loss, regardless of the number of locations involved, caused by or resulting from a single **flood** that begins when **flood** water enters your location during the Policy Period.

VI. Examples - Application of Percentage Deductible in a Covered Loss

- A. As used in the following examples, the terms Specific Limits of Insurance and Blanket Limits of Insurance have the following meanings:
 1. Specific Limits of Insurance means each subject of insurance at each **location** under a separate Limit of Insurance. For example:
 - a. **Business real property** at a **location** insured under a Limit of Insurance which applies only to such **location**; or
 - b. **Business personal property** at a **location** insured under a Limit of Insurance which applies only to such **location**.
 2. Blanket Limits of Insurance means two or more subjects of insurance under a single Limit of Insurance. For example:
 - a. **Business real property** and **business personal property** located at a single **location** insured under a single Limit of Insurance; or
 - b. **Business real property**, **business personal property**, or both combined, at two separate **locations** insured under a single Limit of Insurance.

Subjects of insurance, **locations**, and corresponding Limits of Insurance are shown in the Declarations applicable to this Endorsement.

B. Example 1: Specific Limits of Insurance

1. The Limits of Insurance shown in the Declarations are as follows:
 - a. **Building** = \$80,000
 - b. **Business personal property** situated in such **building** = \$64,000
2. The **value** of the **building** is \$100,000. The **value** of **business personal property** situated in such **building** is \$80,000.
3. **Building** and **business personal property** situated in such **building** have sustained covered loss or damage. The amounts of such covered loss or damage are:
 - a. **Building** = \$60,000; and
 - b. **Business personal property** situated in such **building** = \$40,000.
4. The Percentage Deductible shown in the Declarations that applies is 2%.
5. The application of the Percentage Deductible is determined and applied as follows:

Building	Business Personal Property
Step 1: \$100,000 X 2% = \$2,000 Step 2: \$60,000 - \$2,000 = \$58,000	Step 1: \$80,000 X 2% = \$1,600 Step 2: \$40,000 - \$1,600 = \$38,400

6. The most we will pay in this example is \$96,400 (\$58,000 + \$38,400 = \$96,400). That portion of the total loss not covered due to application of the deductible is \$3,600 (\$2,000 + \$1,600 = \$3,600).
7. Note that the dollar equivalent of the Percentage Deductible shown in the Declarations applicable to this Endorsement is determined by applying such Percentage Deductible to the 100% total **value** of the damaged **building** and **business personal property** immediately before the covered loss or damage occurs.

C. Example 2: Blanket Limits of Insurance

1. The Blanket Limit of Insurance applicable to Business Real Property shown in the Declarations is \$1,800,000 and insures **buildings** #1, #2, and #3.
2. The **value** of each **building** included in such Blanket Limit of Insurance totals \$2,000,000 and is comprised of the following:
 - a. **Building** #1 with a **value** of \$500,000;
 - b. **Building** #2 with a **value** of \$500,000; and
 - c. **Building** #3 with a **value** of \$1,000,000.
3. **Buildings** #1 and **building** #2 have sustained covered loss or damage. The amounts of loss to these buildings are:
 - a. **Building** #1 = \$40,000; and
 - b. **Building** #2 = \$20,000.
4. The Percentage Deductible shown in the Declarations that applies is 2%.
5. The application of the Percentage Deductible is determined and applied as follows:



Building #1	Building #2
Step 1: \$500,000 X 2% = \$10,000 Step 2: \$40,000 - \$10,000 = \$30,000	Step 1: \$500,000 X 2% = \$10,000 Step 2: \$20,000 - \$10,000 = \$10,000

6. The most we will pay is \$40,000 ($\$30,000 + \$10,000 = \$40,000$). That portion of the total loss not covered due to application of the Percentage Deductible is \$20,000 ($\$10,000 + \$10,000 = \$20,000$).
7. Note that the dollar equivalent of the Percentage Deductible shown in the Declarations applicable to this Endorsement is determined by applying such Percentage Deductible to the 100% total **value** of each damaged **building** (**building #1** and **building #2**) immediately before the covered loss or damage occurs.

VII. This Endorsement is otherwise subject to all the terms, conditions, exclusions, limitations, and provisions of the Policy to which it is attached.

Property-Gard Pinnacle® - Green Coverage Endorsement - 250031 01 13

Policy Amendment - Commercial Property Coverage Section

This Endorsement modifies insurance provided under the Property-Gard Pinnacle Coverage Form - 250000.

I. Green Upgrade Valuation

- A. If **Property Insured** sustains covered loss or damage that cannot be repaired, then at your option, we will determine the **value** of such **Property Insured** on the basis of **green upgrade valuation** at the time of such loss or damage providing that:
 1. **Green upgrade valuation** applies at a **location** shown in the Declarations applicable to this Endorsement; and
 2. **Business real property** at such **location** is not classified as a **certified green building** as rated by a **green rating authority**.
- B. If there is no equivalent material or product that is acceptable as provided for under these Green Upgrade Valuation provisions, then we will pay to replace such **Property Insured** that cannot be repaired with available products or construction materials:
 1. Of otherwise equivalent quality and function existing at the time of loss or damage; and
 2. Used for the same occupancy and purpose;that qualify as **green** but do not meet the requirements of, or are not addressed by, a **green rating authority**.
- C. We will not pay more for such **Property Insured** which has sustained covered loss or damage than the least of the following dollar amounts:
 1. The cost to replace such **Property Insured** determined on the basis of **green upgrade valuation**;
 2. The amount you actually spend to replace such **Property Insured**; or
 3. The Blanket Limit of Insurance or Sublimit of Insurance applicable to the **location** as shown in the Declarations under Green Upgrade Valuation Limit(s) of Insurance.
- D. We will not pay under Green Upgrade Valuation provisions described above:
 1. If **Property Insured** sustaining covered loss or damage can be repaired under the applicable valuation provisions provided by the Property-Gard Pinnacle Coverage Form - 250000;
 2. If the Green Upgrade Valuation provisions described above under Items I.A. or B. are not available or are not acceptable options to you; or
 3. Until you actually replace the lost or damaged property that cannot be repaired. The replacement of such property must be made as soon as reasonably possible, but in no event later than two years after the date such property sustained covered loss or damage.
- E. You may make a claim for covered loss or damage on an applicable valuation basis provided by the Property-Gard Pinnacle Coverage Form - 250000 instead of **green upgrade valuation**. In the event you elect to have covered loss or damage settled in such manner, then you may still make a claim for the additional coverage which **green upgrade valuation** provides if you notify us of your intent to do so within 180 days after the loss or damage, and you comply with Item I.D.3. above.

This Form must be attached to Change Endorsement when issued after the policy is written.
One of the **Allianz Global Risks US Companies** as named in the policy.



- F Until the lost or damaged property is actually replaced, we will only pay the **value** of such property using the applicable valuation basis provided by the Property-Gard Pinnacle Coverage Form - 250000 as of the time of the loss or damage.
- G If there is a total loss to a building that is **business real property**, then you may voluntarily elect to purchase another existing building or rebuild on another site but we will not pay more than the amount of loss or damage that we would have otherwise paid to rebuild at the current location.

II. Certified Green Valuation

- A. If **Property Insured** sustains covered loss or damage that cannot be repaired, then at your option, we will determine the **value** of such **Property Insured** on the basis of **certified green valuation** at the time of such loss or damage providing that:
 1. **Certified green valuation** applies at a **location** shown in the Declarations applicable to this Endorsement; and
 2. **Business real property** at such **location** is classified as a **certified green building** or has **certified green operations** as rated by the applicable **green rating authority**.
- B. If **Property Insured** sustains covered loss or damage that cannot be repaired, and the requirements imposed by the **green rating authority** that certified your **certified green building** or **certified green operations** have been upgraded since you last acquired such certification, then we will pay under these Certified Green Valuation provisions for the necessary additional costs that you incur to upgrade such **Property Insured** to meet the current minimum certification requirements in order to maintain the same level of certification that such **certified green building** or **certified green operations** had immediately prior to the covered loss or damage.
- C. We will not pay more for such **Property Insured** which has sustained covered loss or damage than the least of the following dollar amounts:
 1. The cost to replace such **Property Insured** determined on the basis of **certified green valuation**;
 2. The amount you actually spend to replace such **Property Insured**; or
 3. The Blanket Limit of Insurance or Sublimit of Insurance applicable to the **location** as shown in the Declarations under Certified Green Valuation Limit(s) of Insurance.
- D. We will not pay under Certified Green Valuation:
 1. If **Property Insured** sustaining covered loss or damage can be repaired under the applicable valuation provisions provided by the Property-Gard Pinnacle Coverage Form - 250000; or
 2. Until you actually replace the lost or damaged property that cannot be repaired. The replacement of damaged property must be made as soon as reasonably possible, but in no event later than two years after the date you sustained covered loss or damage.
- E. You may make a claim for covered loss or damage on an applicable valuation basis provided by the Property-Gard Pinnacle Coverage Form - 250000 instead of **certified green valuation**. In the event you elect to have covered loss or damage settled in such manner, then you may still make a claim for the additional coverage which **certified green valuation** provides if you notify us of your intent to do so within 180 days after the loss or damage and you comply with Item II.D.2. above.
- F. Until the lost or damaged property is actually replaced, we will only pay the **value** of such property on the applicable valuation basis provided by the Property-Gard Pinnacle Coverage Form - 250000 as of the time of the loss or damage.
- G. If there is a total loss to a building that is **business real property**, then you may voluntarily elect to purchase another existing building or rebuild on another site but we will not pay more than the amount of loss or damage that we would have otherwise paid to rebuild at the current location.

III. Business Income and Extra Expense Coverage



- A. If the Declarations show you have Business Income and Extra Expense Coverage, then the limits of insurance shown in the Declarations applicable to this Endorsement include the amounts we pay for actual loss of **business income** and necessary **extra expense** that you sustain during the increased period of restoration when a covered loss is settled using **green upgrade valuation** or **certified green valuation**.
- B. Such increased period of restoration includes any increased period of time beyond the period of restoration required to settle a covered loss using **green upgrade valuation** or **certified green valuation**.
- C. The expiration date of this Policy will not cut short the increased period of restoration.

IV. Extensions of Coverage

If loss or damage is covered by this Endorsement, and you have elected to settle your claim under the terms of this Endorsement, then we will provide the following Extensions of Coverage under Green Upgrade Valuation or Certified Green Valuation unless otherwise specified:

A. Green Certification Upgrade Coverage

- 1. If Certified Green Valuation applies to a **location** described in the Declarations applicable to this Endorsement, then at your option, we will pay the necessary additional costs you incur to upgrade your **Property Insured** to attain certification at one level above the certification level that your **certified green building** or **certified green operations** had immediately prior to the covered loss or damage, if such upgrade is available.
- 2. The most we will pay under this Extension of Coverage in any one occurrence or **loss event** is the Sublimit of Insurance shown in the Declarations applicable to Green Certification Upgrade Coverage.

B. Vegetated Roof and Heat Island Effect Coverage

- 1. Item V.F. 6. Outdoor Trees, Shrubs, Plants, and Lawns contained in the Property-Gard Pinnacle Coverage Form - 250000 is amended to include trees, shrubs, plants, lawns, and **vegetated swales** at a **location** that are:
 - a. Part of a **vegetated roof**;
 - b. Part of a **vegetated wall** which is attached to **business real property**, whether such vegetation is situated on the interior or outside of such **business real property**; or
 - c. Not a part of a **vegetated roof** or **vegetated wall** but planted specifically to dissipate the **heat island effect**.

but only with respect to coverage provided by this Vegetated Roof and Heat Island Effect Coverage.

- 2. The most we will pay under this Extension of Coverage in any one occurrence or **loss event** are the Limits of Insurance shown in the Declarations applicable to Outdoor Trees, Shrubs, Plants, and Lawns.

C. Professional Design Consulting Coverage

- 1. We will pay the necessary expense you incur to hire an engineer or architect accredited by a **green rating authority** to participate in the design and reconstruction of damaged or destroyed property.
- 2. The most we will pay under this Extension of Coverage in any one occurrence or **loss event** is the Sublimit of Insurance shown in the Declarations applicable to Professional Design Consulting Coverage.

D. Commissioning Expense Coverage

- 1. If covered loss or damage exceeds \$10,000, then we will pay the necessary expense you incur to hire a **professional engineer** to:
 - a. Provide **commissioning** services, including overseeing the repairs and replacement of damaged or destroyed property, in order to verify and document that the existing or replacement system(s) have been installed and calibrated properly so that such system(s) perform according to the documented design criteria and manufacturers' specifications.



- b. Conduct a test-and-balance analysis of heating, ventilating, or air conditioning systems (HVAC) as part of the commissioning, even if the HVAC system did not sustain loss or damage.
 - 2. The most we will pay under this Extension of Coverage in any one occurrence or **loss event** is the Sublimit of Insurance shown in the Declarations applicable to Commissioning Expense Coverage.
- E. Certification Fees Coverage**
- 1. We will pay the necessary registration and certification fees charged by a **green rating authority** that you incur as a result of the certification process required to register as a **certified green building**.
 - 2. The most we will pay under this Extension of Coverage in any one occurrence or **loss event** is the Sublimit of Insurance shown in the Declarations applicable to Certification Fees Coverage.
- F. Recycling Additional Expense Coverage**
- 1. We will pay for the necessary increased costs that you incur to remove the debris which results from a covered loss to **Property Insured** and deliver such debris to recycling facilities rather than to landfills, but only if such debris can be recycled.
 - 2. Any income or remuneration derived from such recycling shall be used to reduce the total loss incurred under this Endorsement.
 - 3. Recycling Additional Expense Coverage is provided in addition to the Limit of Insurance for Item V.D.3. Debris Removal Coverage contained within the Property-Gard Pinnacle Coverage Form - 250000.
 - 4. The most we will pay under this Extension of Coverage in any one occurrence or **loss event** is the Sublimit of Insurance shown in the Declarations applicable to Recycling Additional Expense Coverage.
- G. Flush-Out Coverage**
- 1. When **Property Insured** is repaired or rebuilt following a covered loss, at your option, we will pay to conduct a baseline indoor air quality test in order to determine whether the concentration levels for chemical air contaminants are within acceptable parameters. Testing will be conducted in a manner consistent with the procedures and levels of acceptability specified by the **green rating authority**.
 - 2. We will also pay the necessary expenses you incur to flush out the contaminated areas of your building with 100% outside air through new filtration media following reconstruction in a manner consistent with the procedures specified by the **green rating authority**.
 - 3. The most we will pay under this Extension of Coverage in any one occurrence or **loss event** is the Sublimit of Insurance shown in the Declarations applicable to Flush-Out Coverage.
- H. Green Financial Incentive Coverage**
- 1. If you lose the following financial incentives due solely to direct physical loss or damage to **Property Insured** caused by or resulting from a **covered cause of loss**, then we will pay for the loss of such financial incentives which you have qualified for and that would have accrued to you as a direct result of green installations or upgrades you have made to **Property Insured**:
 - a. Tax discounts or favorable tax rates provided to you by any governmental body;
 - b. Utility discounts or favorable utility rates provided to you by a utility company;
 - c. Loan discounts or favorable loan financing rates provided to you by lending institutions or through government programs; and
 - d. Monetary grants or special monetary funding.
 - 2. The most we will pay for the loss of financial incentives described above in Item IV.H.1., in any one occurrence or **loss event** under this Extension of Coverage, is the lesser of the following amounts:
 - a. The sum of:



- (1) The difference between the amount you actually paid for taxes, utilities, or loan expenses immediately prior to the covered loss or damage, and the amount you actually pay for such expenses over the two calendar years following such loss, which is caused solely by the loss of the applicable financial incentives described above; and
 - (2) The difference between the amount you actually received for monetary grants or special monetary funding immediately prior to the covered loss or damage, and the amount you actually receive for such monetary grants or special monetary funding over the two calendar years following such loss, which is caused solely by the loss of the applicable financial incentives described above; or
- b. The Sublimit of Insurance shown in the Declarations applicable to Green Financial Incentive Coverage.

I. Porous Paving Coverage

- 1. If this Policy includes coverage for roadways, walks, patios or other paved surfaces and such property sustains covered loss or damage that cannot be repaired, then we will pay to replace such damaged or destroyed paved surfaces with **porous paving** of otherwise equivalent quality and function that meet the requirements of the **green rating authority**.
- 2. The most we will pay under this Extension of Coverage in any one occurrence or **loss event** is the Sublimit of Insurance shown in the Declarations applicable to Porous Paving Coverage.

J. Green Mobile Equipment Coverage

- 1. If Certified Green Valuation applies to a **location** described in the Declarations applicable to this Endorsement, and your **mobile equipment** sustains covered loss or damage while at such **location** which cannot be repaired, then at your option, we will pay to replace such damaged or destroyed **mobile equipment** with **low environmental impact equipment** of otherwise equivalent quality and function, but only if such **low environmental impact equipment** is available and meets the requirements of the **green rating authority** that has certified your **certified green building** or **certified green operations**.
- 2. Green Mobile Equipment Coverage does not apply to losses insured under Green Upgrade Valuation.
- 3. The most we will pay under this Extension of Coverage in any one occurrence or **loss event** is the Sublimit of Insurance shown in the Declarations applicable to Green Mobile Equipment Coverage.

K. Miscellaneous Green Property Coverage

- 1. If Certified Green Valuation applies to a **location** described in the Declarations applicable to this Endorsement, and a covered cause of loss results in a direct total physical loss to a **certified green building** at such **location** then, at your option, we will pay to add the following green alternatives at such **location**, but only if such green alternatives are available and meet the requirements of the **green rating authority** that has certified your **certified green building** or **certified green operations**:
 - a. Outdoor light shields, for units with greater than 50 watts of power, designed to block light from being emitted into the night sky;
 - b. Electric or water metering or sub-metering systems, including **smart meters**;
 - c. Carbon monoxide or carbon dioxide sensing or detection systems;
 - d. Advanced lighting controls, devices and fixtures designed to minimize energy consumption, including occupancy sensors, electronic ballasts, dimmable ballasts, daylight dimmers, LED exit signs and reflective fixtures;
 - e. High efficiency plumbing devices designed to reduce water use and improve energy efficiency, including on-demand hot water heaters to supply lavatory sinks; or
 - f. Building entryway systems, such as grilles, grates, or mats that are designed to reduce the amount of dirt, pollen or other particulates from entering your building.



2. Miscellaneous Green Property Coverage does not apply to losses insured under Green Upgrade Valuation.
3. The most we will pay under this Extension of Coverage in any one occurrence or loss event is the Sublimit of Insurance shown in the Declarations applicable to Miscellaneous Green Property Coverage.

V. Additional Exclusions

We will not pay under this Endorsement for loss, damage, or expense:

- A. Caused by the enforcement of any ordinance, law, regulation, or rule:
 1. Regulating the construction, use, occupancy, operation, improvement, replacement, modification, installation, zoning, or repair of any property; or
 2. Requiring the demolition or tearing down of any property, including the cost of removing its debris.
- B. Incurred in complying with any recommended actions or standards that exceed the actual minimum requirements of a **green rating authority** (if **Property Insured** has not previously been certified), or the **green rating authority** that has certified your **certified green building** or **certified green operations**, as applicable. Coverage provided by this Endorsement applies only in response to the most cost effective products, building materials, and construction techniques that will satisfy the minimum requirements of such **green rating authority**.
- C. Relating to constructing a **vegetated roof or vegetated wall**, unless you had an existing **vegetated roof or vegetated wall** on **business real property** immediately prior to sustaining a covered loss to such **business real property**.

VI. Limits of Insurance

The following limitations apply to this Endorsement and the Declarations applicable to this Endorsement:

- A. The most we will pay in any one occurrence or loss event, including **business income** and **extra expense**, is the applicable Blanket Limit of Insurance shown in the Declarations applicable to this Endorsement. However, the most we will pay in any one occurrence or loss event, including **business income** and **extra expense**, with respect to a **location** that has been assigned a Sublimit of Insurance is the applicable Sublimit of Insurance shown in the Declarations applicable to this Endorsement.
- B. If the Declarations applicable to this Endorsement describe a Blanket Limit of Insurance for Green Upgrade Valuation or Certified Green Valuation in conjunction with a Sublimit of Insurance for such valuation methods, then such Sublimit of Insurance is included within, not in addition to, the applicable Blanket Limit of Insurance.
- C. If the Declarations applicable to this Endorsement describe a Sublimit of Insurance under the Extensions of Coverage, then such Sublimit of Insurance is included within, not in addition to, the applicable Limit of Insurance shown for Green Upgrade Valuation or Certified Green Valuation.
- D. If the Declarations applicable to this Endorsement describe a Blanket Limit of Insurance as "included" for Green Upgrade Valuation or Certified Green Valuation, then such Blanket Limit of Insurance is included within the Limit of Insurance shown in the Declarations for **Property Insured**.
- E. If the Declarations applicable to this Endorsement describe a Sublimit of Insurance under the Extensions of Coverage as "included", then such Sublimit of Insurance is included within the applicable Limit(s) of Insurance shown for Green Upgrade Valuation or Certified Green Valuation.
- F. Except as described above in Item VI.D. or E., a dollar amount must be shown as a Blanket Limit of Insurance or Sublimit of Insurance in the Declarations applicable to this Endorsement in order for coverage under this Endorsement to apply.
- G. The Limits of Insurance provided under this Endorsement are included within, not in addition to, the Limits of Insurance shown in the Declarations.

VII. Newly Acquired Location Coverage and Unnamed Location Coverage Limitation



If Newly Acquired Location Coverage or Unnamed Location Coverage, or both, are provided under the Property and Casualty Coverage Form - 250000, then the provisions of this Endorsement do not apply to such coverage.

VIII. Additional Definitions

The following are additional definitions applicable only to this Endorsement:

- A. **Certified green buildings** means buildings that have been certified by the **green rating authority**.
- B. **Certified green operations** means business operations or processes that have been certified by the **green rating authority**.
- C. **Certified green valuation** means the cost to replace such **Property Insured** that cannot be repaired with available products or construction materials:
 - 1. Of otherwise equivalent quality and function existing at the time of loss or damage; and
 - 2. Used for the same occupancy and purpose;that meet the requirements for **certified green buildings** or **certified green operations** as set forth by the **green rating authority**. **Certified green valuation** applies without a deduction for physical deterioration, depreciation, depletion, or obsolescence.
- D. **Commissioning** means the systematic process of ensuring that your complex array of repaired or newly replaced and installed systems, insured under **Property Insured**, are designed, installed, and tested to perform according to the design intent and your operational needs.
- E. **Green** means products, processes, construction materials, furniture, fixtures, installations, improvements and betterments, or machinery and equipment that:
 - 1. Use energy, water, oil, natural gas, or other resources more efficiently;
 - 2. Improve human health; or
 - 3. Reduce carbon dioxide or greenhouse gas emissions, reduce toxic or other pollutant discharges; or
 - 4. Otherwise minimize your impact on the environment.
- F. **Green rating authority** means the following recognized rating authorities that create certification requirements for **certified green buildings** or **certified green operations**, and evaluate the acceptability of **green** products, processes, construction materials, furniture, fixtures, installations, improvements and betterments, or machinery and equipment:
 - 1. The LEED® Green Building Rating System of the United States Green Building Council; or
 - 2. The Green Globes® Assessment and Rating System of the Green Building Initiative; or
 - 3. The United States Government Department of Energy "Energy Star®" program; or
 - 4. An Additional Green Rating Authority that is described in the Declarations applicable to this Endorsement.
- G. **Green upgrade valuation** means the cost to replace such **Property Insured** that cannot be repaired with available products or construction materials:
 - 1. Of otherwise equivalent quality and function existing at the time of loss or damage; and
 - 2. Used for the same occupancy and purpose;that meet the minimum requirements of a **green rating authority**. **Green upgrade valuation** applies without a deduction for physical deterioration, depreciation, depletion, or obsolescence.
- H. **Heat island effect** means a condition where urban air and surface temperatures are higher than nearby rural areas, which is caused in part by:
 - 1. The heat absorption of the buildings;



2. Development of the land surface into roadways or parking lots; and
 3. Waste heat generated by energy usage from within buildings.
- I. **Low environmental impact equipment** means electric powered, low decibel, or environmentally preferable mobile equipment, such as mulching mowers, that reduce the impact of pollution on the environment.
- J. **Porous paving** means paving methods and materials used for streets, roads, parking lots, walkways, or other paved surfaces that allow the movement of water and air around the paving material in order to allow water to percolate through areas that would otherwise be impervious.
- K. **Professional engineer** means an engineer who has fulfilled the education and experience requirements and passed the required exams that, under state licensure laws, permits such person to offer engineering **commissioning** services directly to the public.
- L. **Smart meter** means a type of electrical meter that identifies consumption in more detail than a conventional meter, and communicates that information from the customer to the local utility for monitoring and billing purposes.
- M. **Vegetated roof** means a part of the **business real property** roof system that includes a layered roofing system composed of a roof deck, waterproofing, soil, and trees, shrubs, plants or lawns.
- N. **Vegetated swales** mean trees, plants and shrubs that are a part of a broad, shallow channel incorporated in the landscaping system that includes a dense stand of vegetation covering the side slopes and bottom of the channel. Swales can be natural or manmade, and are designed to trap particulate pollutants, promote infiltration of water, and reduce the flow velocity of storm water runoff.
- O. **Vegetated wall** means a part of the **business real property** envelope system that is partially or completely covered with vegetation comprised of plants, growing medium, or liquid nutrient installed in or on a frame, secured to a structural wall or a free standing wall.
- IX. This Endorsement is otherwise subject to all the terms, conditions, exclusions, limitations, and provisions of the Policy to which it is attached.



Property-Gard Pinnacle® - Combined Dollar Deductible - 250033 01 13

Policy Amendment - Commercial Property Coverage Section

This Endorsement modifies insurance provided under the Property-Gard Pinnacle Coverage Form - 250000.

- I. The following provisions are added to Section X. Deductibles contained in the Property-Gard Pinnacle Coverage Form - 250000.

A. Combined Dollar Deductible

1. If a Combined Dollar Deductible applies at a **location** shown in the Declarations applicable to this Endorsement, and covered loss or damage includes:
 - a. **Property damage loss**; or
 - b. **Time element loss**; or
 - c. A combination of both **property damage loss** and **time element loss**;then such Combined Dollar Deductible will be subtracted from the applicable total covered loss or damage in any one occurrence or **loss event**.
2. Subject to Section XI. Limits of Insurance contained in the Property-Gard Pinnacle Coverage Form - 250000, we will pay the amount of covered loss or damage in excess of such Combined Dollar Deductible.

- B. If Newly Acquired Location Coverage or Unnamed Location Coverage, or both, are provided under the Property-Gard Pinnacle Coverage Form - 250000, then the provisions of the Combined Dollar Deductible described above in Item I.A. of this Endorsement apply to such coverage unless stated otherwise in the Declarations applicable to this Endorsement.

- C. 1. If a deductible has been specifically assigned to any of the following under the Property-Gard Pinnacle Coverage Form - 250000 or the Commercial Property Coverage Section

- a. **Earth movement**;
- b. Equipment Breakdown Coverage;
- c. **Fire protection equipment leakage from earth movement**;
- d. **Flood**;
- e. **Hurricane**;
- f. **Named storm**;
- g. **Storm**; or
- h. Any other **covered causes of loss** or coverage(s) shown in Declarations applicable to this Endorsement;

then the provisions described in this Endorsement do not apply to any loss or damage caused by or resulting from such **covered causes of loss** or insured by such coverage(s).

2. The deductible(s) shown in the Declarations which are specifically assigned to the **covered causes of loss** or coverage(s) named above in Item I.C.1. continue to apply to any covered loss or damage caused by or resulting from such **covered causes of loss** or insured by such coverage(s).



- II. This Endorsement is otherwise subject to all the terms, conditions, exclusions, limitations, and provisions of the Policy to which it is attached.



Property-Gard - Pinnacle® - Equipment Breakdown Coverage Endorsement 250048 01 13

Policy Amendment(s) Commercial Property Coverage

This Endorsement modifies Insurance provided under the Property-Gard - Pinnacle Coverage Form - 250000.

Equipment Breakdown Coverage Endorsement

- A. The following is added to the Property-Gard Pinnacle Coverage Form - 250000 as an additional **covered cause of loss**:

Equipment Breakdown Coverage

The term **covered cause of loss** includes coverage as described and limited below;

1. We will pay for direct physical loss or damage to **Property Insured** that is the direct result of an **accident**.
2. Unless otherwise shown in the Declarations applicable to Equipment Breakdown Coverage, the following coverages also apply as a direct result of an **accident**. These coverages do not provide additional amounts of insurance.
 - a. Expediting Expenses Coverage

With respect to your damaged **Property Insured**, we will pay the necessary extra cost to:

- (1) Make temporary repairs; and
- (2) Expedite permanent repairs or permanent replacement.

The most we will pay for under this Expediting Expenses Coverage in any one **accident** is \$250,000 unless otherwise shown in the Declarations applicable to Expediting Expense Coverage provided by Equipment Breakdown Coverage.

- b. Hazardous Substances Coverage

We will pay for the additional cost to repair or replace **Property Insured** because of contamination by a **hazardous substance**. This includes the additional expenses to clean up or dispose of such property.

This does not include contamination of **perishable stock** by refrigerant, including but not limited to ammonia, which is addressed in A.2.c. below. As used in this coverage, additional costs mean those beyond what would have been payable under this Equipment Breakdown Coverage had no **hazardous substance** been involved.

The most we will pay under this Hazardous Substances Coverage in any one **accident**, including actual loss of **business income** you sustain and necessary **extra expense** you incur, if shown as covered, is \$250,000 unless otherwise shown in the Declarations applicable to Hazardous Substances Coverage provided by Equipment Breakdown Coverage.

- c. Perishable Stock Coverage

- (1) We will pay for:
 - (a) Direct physical loss or damage to **perishable stock** due to spoilage;
 - (b) Direct physical loss or damage to **perishable stock** due to contamination from the release of refrigerant, including but not limited to ammonia; and



- (i) Any necessary expenses you incur to reduce the amount of loss under this coverage to the extent that they do not exceed the amount of loss that otherwise would have been payable under this coverage.
- (2) If you are unable to replace the **perishable stock** before its anticipated sale, then the amount of our payment will be determined on the basis of the sales price of the **perishable stock** at the time of the **accident**, less discounts and expenses you otherwise would have had. Otherwise our payment will be determined in accordance with the Valuation provision for **stock**.

The most we will pay under this Perishable Stock Coverage in any one **accident** is \$250,000 unless otherwise shown in the Declarations applicable to Perishable Stock Coverage provided by Equipment Breakdown Coverage.

d. Data Restoration Coverage

If an **accident** occurs causing loss or damage to **data**, then we will pay the **information restoration cost** with respect to such **data**.

The most we will pay under this Data Restoration Coverage in any one **accident**, including actual loss of **business income** you sustain and necessary **extra expense** you incur, if shown as covered, is \$250,000 unless otherwise shown in the Declarations applicable to Data Restoration Coverage provided by Equipment Breakdown Coverage.

e. Service Interruption Coverage

- (1) Any insurance provided for **business income**, **extra expense** or **perishable stock** is extended to apply to your loss, damage, or expense caused by the interruption of utility services. The interruption must result from an **accident** to equipment, including **overhead transmission lines**, that is owned by a utility, landlord, a landlord's utility or other supplier who provides you with any of the following services: electrical power, waste disposal, air conditioning, refrigeration, heating, natural gas, compressed air, water, steam, internet access, telecommunications services, wide area networks, or **data transmission**. Such equipment must meet the definition of **covered equipment** with the exception that it need not be **Property Insured**.
- (2) We will not pay for any loss of **business income** you sustain that results from the interruption of utility services during the first 24 hours following the **accident**. However, if the **Time Element Loss** deductible shown in the Declarations applicable to Service Interruption Coverage provided by Equipment Breakdown Coverage as provided for in paragraph C. below is expressed as a time period and is greater than 24 hours, then such deductible or time period will apply instead of the 24 hours provided for in this paragraph.
- (3) The most we will pay under this Service Interruption Coverage in any **one accident** is the applicable Limit of Insurance for **business income**, **extra expense**, or **perishable stock**, except that if a Limit of Insurance is shown in the Declarations applicable to Service Interruption Coverage provided by Equipment Breakdown Coverage, then such Limit of Insurance will apply to **business income** and **extra expense** loss under this Service Interruption coverage.

f. Business Income and Extra Expense Coverage

- (1) Any insurance provided under the Property-Gard Pinnacle Coverage Form - 250000 for **business income** or **extra expense** is extended to the coverage provided by this Equipment Breakdown Coverage Endorsement. However, if a deductible is shown in the Declarations applicable to Business Income and Extra Expense Coverage provided by Equipment Breakdown Coverage, then as respects Equipment Breakdown Coverage, the **period of restoration** will begin immediately after the **accident**, and the deductible for **Time Element Loss** shown in the Declarations applicable to Business Income and Extra Expense Coverage provided by Equipment Breakdown Coverage will apply.



(2) The most we will pay for the actual loss of **business income** or necessary **extra expense** under this coverage in any one **accident** is the applicable Limit of Insurance stated in the Declarations for **business income** and **extra expense** provided by the Property-Gard Pinnacle Coverage Form - 250000, unless otherwise shown in the Declarations applicable to Business Income and Extra Expense Coverage provided by Equipment Breakdown Coverage.

g. **Fungus Remediation Coverage**

Any insurance provided under the Property-Gard Pinnacle Coverage Form - 250000 for **fungus** remediation coverage is extended to the coverage provided by this Endorsement. This does not include spoilage of **perishable stock**, which is addressed in A.2.c. Perishable Stock Coverage, above. The most we will pay under this Fungus Remediation Coverage in any one **accident** is the amount shown in the Declarations applicable to Fungus Remediation Coverage provided by the Property-Gard Pinnacle Coverage Form - 250000.

3. The following exclusions contained in Section IV. Exclusions of the Property-Gard - Pinnacle Coverage Form - 250000 do not apply, but only with respect to coverage provided by this Endorsement:
 - a. Exclusion IV.A.1.a. Boiler Explosion;
 - b. Exclusion IV.A.2.c. Mechanical Breakdown; and
 - c. Exclusion IV.A.4. Electrical Arcing.

B. Exclusions

1. We will not pay under this Endorsement for any loss, damage, or expense caused directly or indirectly by or resulting from any of the following excluded causes of loss; such loss, damage, or expense is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage:
 - a. Fire or water or other means used to extinguish a fire, lightning, explosion (except as specifically provided in F.1.c. below), **hurricane**, **named storm**, **storm**, smoke, aircraft or vehicles, riot or civil commotion, vandalism, leakage from **fire protection equipment**, elevator collision, molten material, breakage of glass, falling objects, **collapse**, or weight of snow, ice or sleet;
 - b. Freezing from weather related events;
 - c. Any **earth movement**, such as an **earthquake**, landslide, **mine subsidence** or earth sinking, rising or shifting;
 - d. **Flood**, however, if electrical **covered equipment** requires drying out because of a **flood**, then we will pay for the direct expense of such drying out subject to the applicable Limit of Insurance and Deductible;
 - e. A hydrostatic, pneumatic or gas pressure test of any boiler or pressure vessel, or an electrical insulation breakdown test of any type of electrical equipment;
 - f. Any of the following:
 - (1) Defect, programming error, programming limitation, computer virus, malicious code, loss of **data**, loss of access, loss of use, loss of functionality or other condition within or involving **data**, **media**, or **software** of any kind; or
 - (2) Misalignment, miscalibration, tripping off-line, or any condition which can be corrected by resetting, tightening, adjusting or cleaning, or by the performance of maintenance.
- However, if an **accident** results, we will pay for the resulting loss, damage, or expense caused by such **accident**; or
- g. **Fungus** whether or not caused by or resulting from an **accident**. However, this exclusion does not apply to the extent that coverage is provided above in A.2.g. Fungus Remediation or for spoilage of personal



property that is **perishable stock**, to the extent that spoilage is covered under A.2.c. Perishable Stock Coverage above.

2. We will not pay under this Endorsement for any loss or damage to animals.

C Deductible:

As respects this Endorsement only, Section X. Deductibles within the Property-Gard Pinnacle Coverage Form - 250000 is deleted and replaced with the following:

1. The coverage provided by this Endorsement may be subject to one or more of the following deductibles if shown in the Declarations applicable to Equipment Breakdown Coverage:
 - a. **Time Element Loss:** Such deductibles apply to **time element loss**, including **time element loss** under Service Interruption coverage.
 - b. **Perishable Stock :** Such deductibles apply to loss, damage, or expense to **perishable stock**, including **perishable stock** loss under Service Interruption coverage.
 - c. **Production Machinery:** Such deductible applies to loss, damage, or expense to **production machinery**.
 - d. **Property Insured:** Such deductible applies to all other loss, damage, or expense covered by this Endorsement including loss to **perishable stock** if no other **Perishable Stock** Deductible is specified and **time element loss** if no other **Time Element Loss** Deductible is specified and loss to **production machinery** if no other **Production Machinery** Deductible is specified.
2. If a dollar deductible is shown in the Declarations applicable to Equipment Breakdown Coverage, then we will not pay for covered loss, damage, or expense resulting from any **one accident** until the amount of such loss, damage, or expense exceeds the applicable Deductible shown. We will then pay the amount of covered loss, damage, or expense in excess of the applicable Deductible or Deductibles, up to the applicable Limit of Insurance.
3. If a time deductible is shown in the Declarations applicable to Equipment Breakdown Coverage for **Time Element Loss**, then we will not be liable for any loss occurring during the specified number of hours or days immediately following the **accident**. If a time deductible is expressed in days, then each day shall mean twenty-four (24) consecutive hours.
4. If a Multiplier is shown in the Declarations applicable to Equipment Breakdown Coverage for **Time Element Loss**, then the deductible is calculated by multiplying the One Hundred Percent Average Daily Value (100% ADV) times the Multiplier.
 - a. The 100% ADV is calculated by dividing the sum of the total:
 - (1) net profits; and
 - (2) normal continuing expenses (including your normal continuing payroll expenses);that are covered by the Property-Gard Pinnacle Coverage Form - 250000, and that would have been earned had no damage occurred during the **suspension of operations**, by the number of working days in that **suspension period**.
 - b. No reduction shall be made for net profits and normal continuing expenses (including your normal continuing payroll expenses) not being earned, or in the number of working days in the **suspension period**, because of the physical loss or damage to **Property Insured** or other scheduled or unscheduled shutdown(s) during the **suspension**.
 - c. The ADV applies to all locations included in the valuation of the loss.
5. If a **Perishable Stock** Deductible is expressed as a percentage of loss, then we will not be liable for the indicated percentage of the gross amount of loss, damage, or expense (prior to any applicable deductible



or coinsurance) insured under the applicable coverage. If the dollar amount of such percentage is less than the indicated minimum deductible, then the minimum deductible will be the applicable deductible.

D. Conditions

As respects this Endorsement only, the following conditions are in addition to the Loss Conditions and General Conditions described within the Property-Gard - Pinnacle Coverage Form - 250000.

1. Suspension

Whenever **covered equipment** is found to be in, or exposed to, a dangerous condition, any of our representatives may immediately suspend the insurance against loss from an **accident** to that **covered equipment**. This can be done by mailing or delivering a written notice of suspension to:

- a. Your last known address; or
- b. The address where the **covered equipment** is located.

Once suspended in this way, your insurance can be reinstated only by an endorsement for that **covered equipment**. If we suspend your insurance, then you will get a pro rata refund of premium for that **covered equipment** for the period of suspension. But the suspension will be effective even if we have not yet made or offered a refund.

2. Jurisdictional Inspections

If any property that is **covered equipment** under this endorsement requires inspection to comply with state or municipal boiler and pressure vessel regulations, then we agree to perform such inspection on your behalf. We do not warrant that conditions are safe or healthful.

3. Environmental, Safety and Efficiency Improvements

If **covered equipment** requires replacement due to an **accident**, then we will pay your additional cost to replace with equipment that is better for the environment, safer or more efficient than the equipment being replaced.

However, we will not pay more than 150% of what the cost would have been to replace with like kind and quality. This condition does not increase any of the applicable limits. This condition does not apply to any property to which **actual cash value** applies.

E. Limit of Insurance

1. Except as otherwise provided in this Endorsement, the most we will pay for loss, damage, or expense under this Endorsement arising from any **one accident** is the applicable Limit of Insurance shown in the Declarations applicable to Equipment Breakdown Coverage.
2. Payments under any Limit of Insurance provided by this Endorsement are included within, not in addition to, any applicable Limit of Insurance provided by the Property-Gard Pinnacle Coverage Form - 250000.

F. Additional Definitions

The following are additional definitions applicable only to this Endorsement:

1. **Accident** means a fortuitous event that causes direct physical damage to **covered equipment**. The **accident** event must be one of the following:
 - a. Mechanical breakdown, including rupture or bursting caused by centrifugal force;
 - b. Artificially generated electrical, magnetic or electromagnetic energy, including electric arcing, that damages, disturbs, disrupts or otherwise interferes with any electrical or electronic wire, device, appliance, system or network;
 - c. Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control;



- xii. Loss or damage to steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment; or
- xiii. Loss or damage to hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment.

One accident means: If an initial accident causes other accidents, all will be considered one accident. All accidents that are the result of the same event will be considered one accident.

2. **Covered equipment**

- a. **Covered equipment** means, unless otherwise specified in the Declarations applicable to Equipment Breakdown Coverage, **Property Insured** that:
 - (1) Generates, transmits, or utilizes energy; or
 - (2) During normal usage, operates under vacuum or pressure, other than the weight of its contents.
- b. None of the following is **covered equipment**:
 - (1) Any structure, foundation, cabinet, compartment, or air supported structure or building;
 - (2) Insulating or refractory material;
 - (3) Sewer piping, buried vessels or piping, or piping forming a part of a sprinkler or fire suppression system;
 - (4) Water piping, other than boiler feedwater piping, boiler condensate return piping or water piping, forming a part of a refrigerating or air conditioning system;
 - (5) Any **vehicle** or any equipment mounted on a **vehicle**;
 - (6) Any satellite, spacecraft or any equipment mounted on a satellite or spacecraft;
 - (7) Any dragline, excavation or construction equipment; or
 - (8) Equipment manufactured by you for sale.

- 3. **Hazardous substance** means any substance that is hazardous to health or has been declared to be hazardous to health by a governmental agency.
- 4. **Perishable stock** means personal property maintained under controlled conditions for its preservation, and susceptible to loss or damage if the controlled conditions change.
- 5. **Production machinery** means **covered equipment** that is a machine or apparatus that processes or produces a product intended for eventual sale. However, **production machinery** does not mean any fired or unfired pressure vessel other than a cylinder containing a movable plunger or piston.

- 6. **Vehicle** means, as respects this Endorsement only, any machine or apparatus that is used for transportation or moves under its own power. **Vehicle** includes, but is not limited to, car, truck, bus, trailer, train, aircraft, watercraft, forklift, bulldozer, tractor or harvester.

However, any property that is stationary, permanently installed at a covered location and that receives electrical power from an external power source will not be considered a **vehicle**.

- G. This Endorsement is otherwise subject to all the terms, conditions, exclusions, limitations, and provisions of the Policy to which it is attached.

Property-Gard Pinnacle® - Conditional Vacancy Exclusion - 250050 01 13

Policy Amendment - Commercial Property Coverage Section

This Endorsement modifies insurance provided under the Property-Gard Pinnacle Coverage Form - 250000.

I. Section IX., Limitations of Coverage contained in the Property-Gard Pinnacle Coverage Form - 250000, is amended to include the following:

A. Conditional Vacancy Exclusion

1. We will not pay for any loss or damage sustained at any building insured under this Policy which has been **vacant** for more than 60 consecutive days prior to the occurrence of such loss or damage, whether or not such building is at a **location**, unless:
 - a. You notify us in writing prior to the 60th consecutive day such building remains vacant; and
 - b. Existing private fire protection, watch, or alarm services at a location, and within your control, are properly maintained and kept in complete working order.
2. Item I.A.1. above does not apply to:
 - a. **Buildings while in the course of construction**, but only if:
 - (1) Construction permits have been approved by, and are on file with, the building department having jurisdiction over the work to be done in connection with such construction; and
 - (2) Substantial construction activities are being performed by construction personnel at such buildings on a regular and continuing basis, not including architects, engineers, or inspectors; or
 - b. A building that is **vacant** due to repairs being made following loss or damage that is covered by the Property-Gard Pinnacle Coverage Form - 250000 or an endorsement attached to such Coverage Form.
3. If applicable state law only allows the provisions of this Endorsement to apply to a building described in the Declarations, then such provisions will continue to apply in such states to buildings that are not described in such Declarations, but only with respect to causes of loss other than fire.
4. If you notify us that a building at a location has become **vacant**, then we may remove such building from the Policy and return any applicable premium refund due to the first Named Insured shown in the Declarations. Such premium refund will be calculated on a pro-rata basis from the date that coverage for such building ceased to apply in accordance with the terms of this Endorsement.

B. Additional Definitions

The following are additional definitions applicable only to this Endorsement:

1. **Vacant** means that:
 - a. 70% or more of the rentable square footage of a building at an insured location is not being actively used by you or a tenant for its intended purpose; or
 - b. 70% or more of the total square footage of a building at an insured location utilized by you to conduct **your business** is no longer used to conduct your customary **operations**; or



- c. A building at an insured location utilized by you to conduct your business does not contain enough **business personal property** to conduct your **customary operations**, whether or not you intend to use or rent such building.
- ii. This Endorsement is otherwise subject to all the terms, conditions, exclusions, limitations and provisions of the Policy to which it is attached.



Property-Gard Pinnacle® - Crisis Management Coverage - 250062 01 13

Policy Amendment - Commercial Property Coverage Section

This Endorsement modifies insurance provided under the Property-Gard Pinnacle Coverage Form - 250000.

I. Section V.E., Extensions of Coverage Applicable only to Business Income and Extra Expense Coverage, provided under the Property-Gard Pinnacle Coverage Form - 250000, is amended to include the following:

A. Crisis Event Response Communication Cost

1. We will pay your **crisis event response communication cost** resulting from a **covered crisis event** at a location for sixty (60) consecutive days after a **covered crisis event** occurs.
2. No deductible applies to Crisis Event Response Communication Cost.
3. a. The most we will pay under this Extension of Coverage in any one occurrence or **loss event** is the Per Occurrence or Loss Event Limit of Insurance shown in the Declarations applicable to Crisis Event Response Communication Cost.
b. The most we will pay under this Extension of Coverage in all occurrences or **loss events** during any one Policy Period is the **Annual Aggregate** Limit of Insurance shown in the Declarations applicable to Crisis Event Response Communication Cost.

B. Crisis Event Business Income and Extra Expense Coverage

1. Business Income and Extra Expense Coverage

We will pay for the actual loss of **business income** and necessary **extra expense** you sustain due to the necessary **suspension of operations** during the **crisis event period of restoration** caused by or resulting from a **covered crisis event** at a location.

2. Extended Business Income and Extra Expense Coverage

a. If a **business income** and **extra expense** loss is covered under Crisis Management Coverage provided by this Endorsement, then subject to the Limit of Insurance for Crisis Event Business Income and Extra Expense Coverage:

- (1) We will pay for the actual loss of **business income** you sustain during the period that begins on the date your **operations** are resumed and ends on the earlier of:
 - (a) The date you could restore your **operations** with reasonable speed, to the level which would generate the **business income** amount that would have existed if no **covered crisis event** occurred; or
 - (b) Thirty (30) consecutive calendar days after the date your **operations** are resumed.
- (2) We will pay the necessary **extra expense** you incur for advertising, direct mail, discount coupons, or other promotional expense you incur to attract customers back to **your business** during the period that begins on the date your **operations** are resumed and ends on the earlier of:
 - (a) The date you could restore your **operations** with reasonable speed, to the level which would generate the **business income** amount that would have existed if no **covered crisis event** occurred; or
 - (b) Thirty (30) consecutive calendar days after the date your **operations** are resumed.

This Form must be attached to Change Endorsement when issued after the policy is written.
One of the **Allianz Global Risks US Companies** as named in the policy.



3. a. The most we will pay under this Extension of Coverage in any one occurrence or **loss event** is the Per Occurrence or Loss Event Limit of Insurance shown in the Declarations applicable to Crisis Event Business Income and Extra Expense.
b. The most we will pay under this Extension of Coverage in all occurrences or **loss events** during any one Policy Period is the **Annual Aggregate** Limit of Insurance shown in the Declarations applicable to Crisis Event Business Income and Extra Expense.
- C. Post Crisis Event Expense Coverage
 1. We will pay **post crisis event expense** incurred as a result of a **covered crisis event** at a location. Payments under Post Crisis Event Expense Coverage will begin immediately after the **covered crisis event** and will apply for up to sixty (60) consecutive days.
 2. No deductible applies to Post Crisis Event Expense Coverage.
 3. a. The most we will pay under this Extension of Coverage in any one occurrence or **loss event** is the Per Occurrence or Loss Event Limit of Insurance shown in the Declarations applicable to Post Crisis Event Expense Coverage.
b. The most we will pay under this Extension of Coverage in all occurrences or **loss events** during any one Policy Period is the **Annual Aggregate** Limit of Insurance shown in the Declarations applicable to Post Crisis Event Expense Coverage.

D. Additional Exclusions

In addition to any other exclusions which apply in this Policy, the following exclusions apply to this Endorsement for any loss, damage, or expense regardless of whether any other cause or event contributes concurrently or in any sequence to the loss:

1. Exclusions Applicable to Crisis Event Response Communication Cost, Crisis Event Business Income and Extra Expense Coverage, and Post Crisis Event Expense Coverage:
 - a. Illegal acts by you, any of your partners, **members**, **managers**, officers, directors, or trustees; or
 - b. Any claim or suit by a third party for bodily injury or property damage including defense costs related to such bodily injury or property damage.
2. Exclusions Applicable to Crisis Event Business Income and Extra Expense Coverage:
 - a. Any **covered crisis events** described in Item I.I.1.e. in this Endorsement.

E. Additional General Conditions

The following is added to Item XIII. General Conditions contained in the Property-Gard Pinnacle Coverage Form - 250000, but only with respect to Crisis Management Coverage provided by this Endorsement:

1. Other insurance includes insurance coverage, self insured retentions, or non-insurance services which provide the same or similar services as provided under this Endorsement.

F. Additional Loss Conditions

The following additional loss conditions are added to Item XII. Loss Conditions contained in the Property-Gard Pinnacle Coverage Form - 250000, but only with respect to Crisis Management Coverage provided by this Endorsement:

1. Item XII.C.1.b. contained in the Property-Gard Pinnacle Coverage Form - 250000 is deleted and replaced with the following:

Notice of a Covered Crisis Event

You must notify us of any suspected **covered crisis event** or any event that is likely to lead to a **covered crisis event** within forty-eight (48) hours of first becoming aware of it.



G. Valuation

- a. Item VI.B. the valuation provisions applicable to **time element loss**, contained in the Property-Gard Pinnacle Coverage Form - 250000, apply to loss of **business income** and necessary **extra expense** you sustain caused by or resulting from a **covered crisis event** at a location.
- b. The amount of **crisis event response communication cost** will be determined based on the documented additional expenses incurred by you to manage your organization's communications to your employees, shareholders, customers, government authorities, news media and other members of the public after the **covered crisis event**.
- c. The amount of **post crisis event expense** will be determined based on the documented additional expenses incurred by you after the **covered crisis event**.

H. Deductible

- 1. The deductible provisions described under Section X. of the Property-Gard Pinnacle Coverage Form - 250000 apply to coverage provided under this Endorsement.
- 2. The deductible shown in the Declarations for Time Element Loss will apply to loss or expense covered under this Endorsement unless a specific deductible is shown in the Declarations applicable to this Endorsement.

I. Additional Definitions

The following are additional definitions applicable only to this Endorsement:

- 1. **Covered crisis event** means the following occurring at a location that results in significant adverse regional or national news media coverage of you, unless otherwise excluded by this Endorsement:
 - a. Violent acts: An actual, attempted, or threatened act committed with malicious intent against any person(s) that results in physical injury or death to such person(s). Violent acts do not include an actual, attempted, or threatened act by an insured.
 - b. Premises contamination: The necessary closure of a location due to any sudden, accidental, and unintentional contamination or impairment of such location by **pollutants** which also results in bodily injury, illness, or death of any person(s). This includes contamination by **communicable disease** or Legionnaires' disease, but does not include contamination by **fungus**.
 - c. Contaminated food:
 - (1) A **public health authority** orders the closure of a location due to the contamination of food; or
 - (2) An announcement you or a government body makes warning the public of a health hazard because of the discovery or reasonable suspicion that contaminated food has been served to your patrons at a location.
 - d. Specified crimes: The following crimes, whether committed, attempted, or threatened:
 - (1) Criminal use of a firearm;
 - (2) Sexual assault;
 - (3) Stalking of one or more of your employees or customers; or
 - (4) Child abduction or kidnapping: The wrongful and illegal seizure of a child under age ten (10) by someone other than the child's parent or guardian;
 - e. Other crisis incidents:
 - (1) Explosion;
 - (2) Fire;
 - (3) Construction accident;



- (4) Equipment failure; or
 - (5) Workplace accident.
2. **Crisis event period of restoration** means the period of time that begins immediately after the time of the **covered crisis event** and ends on the earlier of:
 - a. The date when your **operations** are resumed; or
 - b. The date when your **operations** should be resumed using reasonable speed.
 3. **Crisis event response communication cost** means necessary expenses you incur for public relations services that are directly related to assisting you in minimizing negative publicity and restoring your reputation following a **covered crisis event**.
 4. **Post crisis event expense** means:
 - a. Necessary expense incurred by persons who were physically present the location at the time the **covered crisis event** occurred for:
 - (1) Medical treatment;
 - (2) Psychological counseling or other mental health treatment; or
 - (3) Travel to or from a place of treatment for such treatments;
 - b. Necessary expense incurred for:
 - (1) Funeral expenses for persons physically present at the location at the time the **covered crisis event** occurred who die as a result of the **covered crisis event**; and
 - (2) Travel expenses for the immediate family to attend the funeral of such deceased person.

Post crisis event expense does not include expenses which are paid directly or indirectly to the person(s) who threatened, perpetrated, or participated in the **covered crisis event**, or their families.

5. **Public health authority** means the governmental authority having jurisdiction over your **operations** relative to health and hygiene standards necessary for the protection of the public.

- II. This Endorsement is otherwise subject to all the terms, conditions, exclusions, limitations, and provisions of the Policy to which it is attached.



Property-Gard Pinnacle® - Combined Dollar Deductible - Specified Causes of Loss - 250065 01 13

Policy Amendment - Commercial Property Coverage Section

This Endorsement modifies insurance provided under the Property-Gard Pinnacle Coverage Form - 250000.

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- I. The following provisions are added to Section X. Deductibles contained in the Property-Gard Pinnacle Coverage Form - 250000.
 - A. Combined Dollar Deductible - Specified Causes of Loss
 - 1. If a Combined Dollar Deductible applies at a **location** and to the **covered causes of loss** shown in the Declarations applicable to this Endorsement, and covered loss or damage includes:
 - a. **Property damage loss**; or
 - b. **Time element loss**; or
 - c. A combination of both **property damage loss** and **time element loss**;then such Combined Dollar Deductible will be subtracted from the applicable total covered loss or damage at all such **locations** in any **loss event**.
 - 2. Subject to Section XI. Limits of Insurance contained in the Property-Gard Pinnacle Coverage Form - 250000, we will pay the amount of covered loss or damage in excess of such Combined Dollar Deductible.
 - B. If Newly Acquired Location Coverage or Unnamed Location Coverage, or both, are provided under the Property-Gard Pinnacle Coverage Form - 250000, then the provisions of the Combined Dollar Deductible described above in Item I.A. of this Endorsement apply to such coverage unless stated otherwise in the Declarations applicable to this Endorsement.
 - C.
 - 1. The deductible(s) stated in the Declarations applicable to this Endorsement supersedes any other deductible contained elsewhere in this Policy but only with respect to covered loss or damage caused by or resulting from the **covered causes of loss** shown in the Declarations applicable to this Endorsement. Except as provided in this Endorsement, no other deductible applies to covered loss or damage caused by or resulting from the **covered causes of loss** shown in the Declarations applicable to this Endorsement.
 - 2. If a Combined Dollar Deductible applicable to **earth movement, fire protection equipment leakage from earth movement, flood**, or any combination thereof, is shown in the Declarations applicable to this Endorsement, then the Deductible provisions described under Section III. of the Additional Covered Cause of Loss - 250001 do not apply to such **covered cause(s) of loss**.
 - II. This Endorsement is otherwise subject to all the terms, conditions, exclusions, limitations, and provisions of the Policy to which it is attached.

This Form must be attached to Change Endorsement when issued after the policy is written.
One of the **Allianz Global Risks US Companies** as named in the policy.



Property-Gard Pinnacle® - New Jersey State Exception Endorsement 250111 01 13

Policy Amendment - Commercial Property Coverage Section

This Endorsement modifies insurance provided under the Property-Gard Pinnacle Coverage Form - 250000.

I. Section XIII., General Conditions, Item C.1.b., is deleted and replaced by the following, but only with respect to coverage provided in the State of New Jersey:

b. Cancellation by Us

- (1) If this Policy has been in effect for less than sixty (60) days, then we may cancel this Policy for any reason subject to the following:
 - (a) If we cancel this Policy for nonpayment of premium or the existence of a moral hazard, then we will mail or deliver to the first Named Insured and any person entitled to notice under this Policy written notice of cancellation, stating the reason for the termination, at least ten (10) days prior to the effective termination date. For the purposes of this provision, the term "moral hazard" is defined in N.J.A.C. 11:1-20.2(f) as follows:
 - 1) The risk, danger or probability that the insured will destroy, or permit to be destroyed, the insured property for the purpose of collecting the insurance proceeds. Any change in the circumstances of an insured that will increase the probability of such a destruction may be considered a 'moral hazard'; and
 - 2) The substantial risk, danger or probability that the character, circumstances or personal habits of the insured may increase the possibility of loss or liability for which an insurer will be held responsible. Any change in the character or circumstances of an individual, corporate, partnership or other insured that will increase the probability of such a loss or liability may be considered a 'moral hazard'.
 - (b) If we cancel this Policy for any other reason, then we will mail or deliver to the first Named Insured and any person entitled to notice under this Policy written notice of cancellation, stating the reason(s) for the termination, at least thirty (30) days prior to the effective termination date.
- (2) If this Policy has been in effect for sixty (60) days or more, or is a renewal of a policy we issued, we may cancel this Policy only for one or more of the following reasons:
 - (a) Nonpayment of premium;
 - (b) Existence of a moral hazard, as defined in N.J.A.C. 11:1-20.2(f);
 - (c) Material misrepresentation or nondisclosure to us of a material fact at the time of acceptance of the risk;
 - (d) Increased hazard or material change in the risk assumed which we could not have reasonably contemplated at the time of assumption of the risk;
 - (e) Substantial breaches of contractual duties, conditions or warranties that materially affect the nature the risk insured;
 - (f) Lack of cooperation from the insured on loss control matters materially affecting insurability of the risk;

This Form must be attached to Change Endorsement when issued after the policy is written.
One of the **Allianz Global Risks US Companies** as named in the policy.



- (g) Fraudulent acts against us by the insured or its representative that materially affect the nature of the risk insured;
 - (h) Loss of or reduction in available insurance capacity;
 - (i) Material increase in exposure arising out of changes in statutory or case law subsequent to the issuance of the insurance contract or any subsequent renewal;
 - (j) Loss of or substantial changes in applicable reinsurance;
 - (k) Failure by the insured to comply with any Federal, State or local fire, health, safety or building or construction regulation, law or ordinance with respect to an insured risk which substantially increases any hazard insured against within sixty (60) days of written notification of a violation of any such law, regulation or ordinance;
 - (l) Failure by the insured to provide reasonable and necessary underwriting information to us upon written request therefor and a reasonable opportunity to respond;
 - (m) Agency termination, provided:
 - 1) We document that replacement coverage at comparable rates and terms has been provided to the first Named Insured, and we have informed the first Named Insured, in writing, of the right to continue coverage with us; or
 - 2) We have informed the first Named Insured, in writing, of the right to continue coverage with us and the first Named Insured has agreed, in writing, to the cancellation or nonrenewal based on the termination of the first Named Insured's appointed agent.
 - (n) Any other reasons in accordance with our underwriting guidelines for cancellation of commercial lines coverage.
- (3) If this Policy has been in effect for sixty (60) days or more, or is a renewal of a policy we issued, then the following provisions apply:
- (a) If we cancel this Policy because of fraudulent acts against us by the insured or its representative that materially affect the nature of the risk insured, then we will mail or deliver a written notice, to the first Named Insured and any person entitled to notice under this Policy, at least ten (10) days before the effective date of cancellation.
 - (b) If we cancel this Policy because of any other reason listed above in Items (2)(a) through (2)(n) above, then we will mail or deliver a written notice to the first Named Insured and any person entitled to notice under this Policy, not more than one hundred-twenty (120) days nor less than thirty (30) days before the effective date of such cancellation.
 - (c) We will state the reason(s) for cancellation in the notice of cancellation which is sent to the first Named Insured. If we cancel due to the nonpayment of premium, then the notice of cancellation will state the effect of nonpayment by the due date and cancellation for nonpayment of premium will not be effective if payment of the amount due is made before the effective date set forth in the notice.
 - (d) Notice will be sent to the first Named Insured's last mailing addresses known to us, by:
 - 1) Certified mail; or
 - 2) First class mail, if we have obtained from the post office a date stamped proof of mailing showing names and addresses.

We need not send notice of cancellation if you have replaced coverage elsewhere; or specifically requested termination.

II. Section XIII., General Conditions, Cancellation, Item C.1., is amended to add the following, but only with respect to coverage provided in the State of New Jersey:



f. Pursuant to New Jersey law, this Policy cannot be cancelled for any underwriting reason or guideline which is arbitrary, capricious or unfairly discriminatory or without adequate prior notice to the insured. The underwriting reasons or guidelines that an insurer can use to cancel this Policy are maintained by the insurance company in writing and will be furnished to the insured and/or the insured's lawful representative upon written request.

This provision shall not apply to any policy which has been in effect for less than sixty (60) days at the time notice of cancellation is mailed or delivered, unless the policy is a renewal policy.

III. Section XIII., General Conditions, Nonrenewal, Item C.2., is amended to add the following, but only with respect to coverage provided in the State of New Jersey:

e. We need not mail or deliver this notice if you have:

- (1) Replaced coverage elsewhere; or
- (2) Specifically requested termination.

f. Pursuant to New Jersey law, this Policy cannot be nonrenewed for any underwriting reason or guideline which is arbitrary, capricious or unfairly discriminatory or without adequate prior notice to the insured. The underwriting reasons or guidelines that an insurer can use to nonrenew this Policy are maintained by the insurance company in writing and will be furnished to the insured and/or the insured's lawful representative upon written request.

IV. Section XIII., General Conditions, Subrogation, Item T., is amended to add the following, but only with respect to coverage provided in the State of New Jersey:

3. Domestic Violence

If we pay a co-insured for loss incurred by that co-insured as a result of domestic violence by another insured, then the rights of the co-insured, who did not cooperate in or contribute to the creation of the loss, to recover damages from the perpetrator of domestic violence are transferred to us to the extent of our payment. Following the loss, the co-insured who did not co-operate in or contribute to the loss may not waive such rights to recover against the perpetrator of domestic violence.

V. Section XIV., Definitions, **Loss event**, Item A.34., is deleted and replaced by the following, but only with respect to coverage provided in the State of New Jersey:

34. **Loss event** means:

- a. With respect to a single **hurricane**, all elements of loss, regardless of the number of locations involved, caused by or resulting from a **hurricane** and includes the period of time:
 - (1) 12 hours prior to the first time that sustained hurricane force winds of 74 miles per hour or greater have been measured in New Jersey by the National Weather Service (regardless of whether the sustained hurricane force winds reach the location(s) insured under the Policy); and
 - (2) The entire duration of the **hurricane**; and
 - (3) Ending 12 hours immediately following the last time the hurricane force winds of 74 miles per hour or greater have been measured in New Jersey by the National Weather Service (regardless of whether the sustained hurricane force winds reach the location(s) insured under the Policy);

A single **hurricane** will constitute a single **loss event**.

- b. With respect to subsequent **hurricanes** that cause or damage after a **hurricane** begins as described in Item XIV.A.34.a.(1) above, all elements of loss, regardless of the number of locations involved, caused by or resulting from such subsequent **hurricanes** that:
 - (1) Cause loss or damage at your location(s) subsequent to the initial **hurricane** affecting such location(s); and



- (2) Are declared a **hurricane** before, with respect to the initial **hurricane**, the expiration of the time period described in Item XIV.A.34.a(3) above; and
- (3) Occur within the interval of time described in Item XIV.A.34.a. above, such that assignment of loss or damage to a specific **hurricane** is not possible.

Multiple hurricanes that originate within this defined period of time will constitute a single **loss event**.

- c. With respect to a single **windstorm or hail** event, all elements of loss, regardless of the number of locations involved, caused by or resulting from such **windstorm or hail** event as reported or recorded by the National Weather Service or other similar weather reporting agency. A single **windstorm or hail** event will constitute a single **loss event**.
- d. With respect to multiple **windstorm or hail** events, all elements of loss, regardless of the number of locations involved, caused by or resulting from such multiple **windstorm or hail** events where assignment of the loss to a specific **windstorm or hail** event, as reported or recorded by the National Weather Service or other similar weather reporting agency, is not possible because the **windstorm or hail** events occur within an interval of time that makes assignment to a specific **windstorm or hail** event impossible. Multiple **windstorm or hail** events that originate within this defined period of time will constitute a single **loss event**.
- e. The expiration of this Policy will not reduce the time periods described above in Item XIV.A.34.a., b., c., and d.

VI. Section XIV., Definitions, **Storm**, Item A.68., is deleted and replaced by the following, but only with respect to coverage provided in the State of New Jersey:

- 68. a. **Windstorm or hail** means all types of weather conditions, atmospheric disturbances, precipitation, or any combination thereof, including tornados, wind, hail, rain, snow, ice, sleet, sand, or dust, whether driven by wind or not, but not including **hurricane** or changes in temperature.
- b. **Windstorm or hail** includes loss or damage to the interior of any covered building or structure or to covered property located inside any building or structure which is caused by or resulting from:
 - (1) An opening in such building or structure created by the force of **windstorm or hail**;
 - (2) The weight or accumulation of hail, rain, snow, ice, sleet, sand, or dust; or
 - (3) Any hail, rain, material, object, or debris that is carried, propelled, or in any manner moved by the force of **windstorm or hail**.

Wherever the term **storm** appears in the Policy, this term is deleted and replaced with **windstorm or hail**, but only with respect to coverage provided in the State of New Jersey.

VII. The definition of **named storm** is deleted, but only with respect to coverage provided in the State of New Jersey.

VIII. This Endorsement is otherwise subject to all the terms, conditions, exclusions, limitations, and provisions of the Policy to which it is attached.



Property-Gard Pinnacle® - Data Compromise Coverage - 250133 10 17

Policy Amendment - Commercial Property Coverage Section

This Endorsement modifies insurance provided under the Property-Gard Pinnacle Coverage Form - 250000.

I. Data Compromise Coverage

A. Covered Cause of Loss

1. If all of the following conditions are met:
 - a. There has been a **personal data compromise**;
 - b. Such **personal data compromise** is first discovered by you during the Policy Period for which this Data Compromise Coverage is applicable; and
 - c. Such **personal data compromise** is reported to us within sixty (60) days of the date it is first discovered by you;

then data compromise is added to the Property-Gard Pinnacle Coverage Form – 250000 as an additional **covered cause of loss**, and we will provide you the coverages described below in Item I.B., but only when the costs provided under such coverages arise directly from such **personal data compromise** and are necessary and reasonable.

B. Coverages Provided

1. Forensic Information Technology Review Coverage

- a. We will pay your necessary and reasonable costs for professional information technologies review if needed to determine, within the constraints of what is possible and reasonable, the nature and extent of the **personal data compromise** and the number and identities of the **affected individuals**.

This does not include costs to analyze, research or determine any of the following:

- (1) Vulnerabilities in systems, procedures or physical security;
- (2) Compliance with the Payment Card Industry Data Security Standards program or other industry security standards; or
- (3) The nature or extent of loss or damage to data that is not **personally identifying information** or **personally sensitive information**.

- b. If there is reasonable cause to suspect that a covered **personal data compromise** may have occurred, we will pay for costs covered under Forensic Information Technology Review Coverage, even if it is eventually determined that there was no covered **personal data compromise**. However, once it is determined that there was no covered **personal data compromise**, we will not pay any further costs.

2. Legal Review Coverage

- a. We will pay your necessary and reasonable costs for professional legal counsel review of the **personal data compromise** and how you should best respond to it.
- b. If there is reasonable cause to suspect that a covered **personal data compromise** may have occurred, we will pay for costs covered under Legal Review Coverage, even if it is eventually



determined that there was no covered **personal data compromise**. However, once it is determined that there was no covered **personal data compromise**, we will not pay any further costs.

3. **Notification to Affected Individuals Coverage**

We will pay your necessary and reasonable costs to provide notification of the **personal data compromise** to **affected individuals**.

4. If there has been a notification of a **personal data compromise** to **affected individuals** as covered under Notification to Affected Individuals Coverage described above in Item B.3., then the following coverages are also provided.

We will pay your necessary and reasonable costs to provide the applicable services under such coverages to **affected individuals** for a period of up to one (1) year from the date of the notification to the **affected individuals**. Notwithstanding, coverage for Identity Restoration Case Management services described below in Item B.4.a.(2)(b) which are initiated within such one (1) year period may continue for a period of up to one (1) year from the date such services are initiated.

a. **Services to Affected Individuals Coverage**

(1) The following services apply to any **personal data compromise**:

(a) **Informational Materials**

A packet of loss prevention and customer support information.

(b) **Help Line**

A toll-free telephone line for **affected individuals** with questions about the **personal data compromise**.

Where applicable, the line can also be used to request the additional services described below in Item B.4.a.(2).

(2) The following services only apply to **personal data compromise** events involving **personally identifying information**:

(a) **Credit Report and Monitoring**

A credit report and an electronic service automatically monitoring for activities affecting an individual's credit records. This service is subject to the **affected individual** enrolling for this service with the designated service provider.

(b) **Identity Restoration Case Management**

As respects any **affected individual** who is or appears to be a victim of **identity theft** that may reasonably have arisen from the **personal data compromise**, the services of an identity restoration professional who will assist that **affected individual** through the process of correcting credit and other records and, within the constraints of what is possible and reasonable, to restore control over his or her personal identity.

b. **Public Relations Services Coverage**

We will pay your necessary and reasonable costs for a professional public relations firm, or other comparable professional communications firm, to review and respond to the potential impact of the **personal data compromise** on your business relationships.

This includes costs to implement public relations recommendations of such firm. This may include advertising and special promotions designed to retain your relationship with **affected individuals**; however, we will not pay for promotions provided to any of your directors or employees.

5. **Regulatory Fines and Penalties Coverage**



We will pay any regulatory fine or penalty imposed on you, but only to the extent such fine or penalty is legally insurable under the law of the applicable jurisdiction.

6. Payment Card Industry Fines and Penalties Coverage

- a. We will pay any Payment Card Industry fine or penalty imposed on you under a contract to which you are a party.
- b. We will not pay under Payment Card Industry Fines and Penalties Coverage for any increased transaction costs.

C. Exclusions

1. Section IV.A.1., Exclusions Applicable to all Coverages, contained in the Property-Gard Pinnacle Coverage Form - 250000 is amended to add the following, but only with respect to coverage provided by this Endorsement:
 - a. Your intentional or willful complicity in a **personal data compromise**.
 - b. Any **personal data compromise** occurring prior to the first inception of this Data Compromise Coverage Endorsement or any other coverage, whether obtained from us or from any other insurer, that is substantially similar to that described in this Endorsement.
 - c. Any third party liability or defense costs.
 - d. Costs to research or correct any deficiency, except to the extent such coverage may be specifically provided by Item I.B.1., Forensic Information Technology Review Coverage, in this Endorsement. This includes, but is not limited to, any deficiency in your systems, procedures or physical security that may have contributed to a **personal data compromise**.
 - e. Any fines or penalties, except to the extent such coverage may be specifically provided by Items I.B.5. and 6., Regulatory Fines and Penalties Coverage and Payment Card Industry Fines and Penalties Coverage, in this Endorsement. This includes, but is not limited to, fees or surcharges from affected financial institutions.
 - f. Any criminal investigations or proceedings.
 - g. Any extortion or blackmail. This includes, but is not limited to, ransom payments and private security assistance.
 - h. Your reckless disregard for the security of **personally identifying information** or **personally sensitive information** in your care, custody or control.
2. The Detrimental Code Exclusion, Item IV.A.1.d., contained in the Property-Gard Pinnacle Coverage Form – 250000 is deleted, but only with respect to coverage for **detrimental code-related compromise** provided by this Endorsement.

D. Deductible

1. The deductible shown in the Declarations applicable to this Endorsement will apply to **personal data compromise** covered under this Endorsement, notwithstanding any other deductible provisions described elsewhere under Section X. of the Property-Gard Pinnacle Coverage Form – 250000.
2. You shall be responsible for such deductible amount as respects each **personal data compromise** covered under this Endorsement. We will not pay for any **personal data compromise** covered under this Endorsement in any one **personal data compromise** event until the amount of such **personal data compromise** exceeds the deductible shown in the Declarations applicable to this Endorsement. Subject to Item I.E. Limits of Insurance described below, we will then pay the amount of such **personal data compromise** in excess of such deductible.

E. Limits of Insurance



1. The most we will pay under Data Compromise Coverage for the cost of promotions provided to any one **affected individual** in any one **personal data compromise** event is the Promotion Cost Per Any One Affected Individual Limit of Insurance shown in the Declarations applicable to this Endorsement. Such Promotion Cost Per Any One Affected Individual Limit of Insurance is included within, not in addition to, the Public Relations Services Coverage Sublimit of Insurance.
 2. The most we will pay under Data Compromise Coverage for Public Relations Services Coverage in any one **personal data compromise event**, regardless of the number of **affected individuals**, is the Public Relations Services Coverage Sublimit of Insurance shown in the Declarations applicable to this Endorsement. Such Public Relations Services Coverage Sublimit of Insurance is included within, not in addition to, the Per Personal Data Compromise Event Limit of Insurance.
 3. For each of the following coverages: Forensic Information Technology Review Coverage; Legal Review Coverage; Regulatory Fines and Penalties Coverage; and Payment Card Industry Fines and Penalties Coverage; the most we will pay under Data Compromise Coverage in any one **personal data compromise** event is the least of the following dollar amounts:
 - a. The amount produced by multiplying the Per Personal Data Compromise Event Limit of Insurance shown in the Declarations by fifty percent (50%); or
 - b. The applicable Sublimit of Insurance shown in the Declarations applicable to this Endorsement for each of such coverages.Such Sublimits of Insurance are included within, not in addition to, the Per Personal Data Compromise Event Limit of Insurance.
4. The most we will pay under Data Compromise Coverage for **detrimental code-related compromise** in any one **personal data compromise** event is the Named Detrimental Code Sublimit of Insurance shown in the Declarations applicable to this Endorsement. Such Named Detrimental Code Sublimit of Insurance is included within, not in addition to, the Per Personal Data Compromise Event Limit of Insurance.
 5. The most we will pay under Data Compromise Coverage in any one **personal data compromise** event is the Per Personal Data Compromise Event Limit of Insurance shown in the Declarations applicable to this Endorsement.
 6. The most we will pay under Data Compromise Coverage for all **personal data compromise** events which are first discovered by you during the present Policy Period, regardless of the number of such **personal data compromise events**, is the Annual Aggregate Limit of Insurance shown in the Declarations applicable to this Endorsement for Data Compromise Coverage.
 7. A **personal data compromise** may be first discovered by you in one Policy Period but cause covered costs in one or more subsequent Policy Periods. If so, all covered costs arising from such personal data compromise will be subject to the **Per Personal Data Compromise** Event Limit of Insurance and Annual Aggregate Limit of Insurance applicable to the Policy Period when the **personal data compromise** was first discovered by you.

F. Additional Conditions

1. The following Conditions apply in addition to Section XII., Loss Conditions, and Section XIII., General Conditions, contained in the Property-Gard Pinnacle Coverage Form – 250000, but only with respect to coverage provided by this Endorsement:

- a. Due Diligence

You agree to use due diligence to prevent and mitigate loss covered under this Endorsement. This includes, but is not limited to, complying with, and requiring your vendors to comply with, reasonable and industry-accepted protocols for:



- (1) Providing and maintaining appropriate physical security for your **premises**, computer systems and hard copy files;
 - (2) Providing and maintaining appropriate computer and Internet security;
 - (3) Maintaining and updating at appropriate intervals backups of computer **data**;
 - (4) Protecting transactions, such as processing credit card, debit card and check payments; and
 - (5) Appropriate disposal of files containing **personally identifying information** or **personally sensitive information**, including shredding hard copy files and destroying physical media used to store electronic **data**.
- b. No Legal Advice Provided
- We are not your legal advisor. Our determination of what is or is not covered under this Data Compromise Coverage does not represent legal advice or counsel from us about what you should or should not do.
- c. Pre-Notification Consultation
- You agree to consult with us prior to the issuance of notification to **affected individuals**. We assume no responsibility under this Data Compromise Coverage for any services promised to **affected individuals** without our prior agreement. If possible, this pre-notification consultation will also include the designated service provider(s) as agreed to under Additional Conditions, Service Providers, described below in Item F.1.d. You must provide the following at our pre-notification consultation with you:
- (1) The exact list of **affected individuals** to be notified, including contact information.
 - (2) Information about the **personal data compromise** that may appropriately be communicated with **affected individuals**.
 - (3) The scope of services that you desire for the **affected individuals**. For example, coverage may be structured to provide fewer services in order to make such services available to more **affected individuals** without exceeding the available Data Compromise Limit of Insurance.
- d. Service Providers
- (1) We will only pay under this Data Compromise Coverage for services that are provided by service providers approved by us. You must obtain our prior approval for any service provider whose expenses you want covered under this Data Compromise Coverage Endorsement. We will not unreasonably withhold such approval.
 - (2) Prior to the Pre-Notification Consultation conditions described above in Item F.1.c., you must come to agreement with us regarding the service provider(s) to be used for the Notification to Affected Individuals and Services to Affected Individuals coverages provided under this Data Compromise Coverage. We will suggest a service provider. If you prefer to use an alternative service provider, our coverage is subject to the following limitations:
 - (a) Such alternate service provider must be approved by us;
 - (b) Such alternate service provider must provide services that are reasonably equivalent or superior in both kind and quality to the services that would have been provided by the service provider we had suggested; and
 - (c) Our payment for services provided by any alternative service provider will not exceed the amount that we would have paid using the service provider we had suggested.
- e. Services



This following conditions apply as respects any services provided to you or any **affected individual** by us, our designees or any service firm paid for in whole or in part under this Data Compromise Coverage:

- (1) The effectiveness of such services depends on your cooperation and assistance.
 - (2) All services may not be available or applicable to all **affected individuals**. For example, **affected individuals** who are minors or foreign nationals may not have credit records that can be provided or monitored. Service in Canada will be different from service in the United States and Puerto Rico in accordance with local conditions.
 - (3) We do not warrant or guarantee that the services will end or eliminate all problems associated with covered **personal data compromise** events.
 - (4) You will have a direct relationship with the professional service firms paid for in whole or in part under this Endorsement. Those firms work for you.
2. Item C.1.b. contained in Section XII., Loss Conditions, in the Property-Gard Pinnacle Coverage Form - 250000 is deleted and replaced with the following, but only with respect to coverage provided by this Endorsement:
 - b. (1) Give us prompt notice of the **personal data compromise**. As described above in Item I.A.1.c., you must report the **personal data compromise** to us within sixty (60) days of the date you first discover it.
 - (2) Include a description of the **personal data compromise**.
 3. Item C.1.h. contained in Section XII., Loss Conditions, in the Property-Gard Pinnacle Coverage Form - 250000 is deleted and replaced with the following, but only with respect to coverage provided by this Endorsement:
 - h. Send us a signed, sworn statement of loss containing the information we request to investigate the claim. We will supply the necessary forms. You must complete such forms within sixty (60) consecutive calendar days of our request.

G. Additional Definitions

1. The following are additional definitions applicable only to this Endorsement:

- a. **Affected Individual** means any person who is your current, former or prospective customer, client, member, director or employee and whose **personally identifying information** or **personally sensitive information** is lost, stolen, accidentally released or accidentally published by a **personal data compromise** covered under this Endorsement.

This definition is subject to the following provisions:

- (1) **Affected individual** does not include any business or organization. Only an individual person may be an **affected individual**.
- (2) An **affected individual** must have a direct relationship with your interests as insured under this policy. The following are examples of individuals who would not meet this requirement:
 - (a) If you aggregate or sell information about individuals as part of your business, the individuals about whom you keep such information do not qualify as **affected individuals**. However, specific individuals may qualify as **affected individuals** for another reason, such as being an employee of yours.
 - (b) If you store, process, transmit or transport records, the individuals whose **personally identifying information** or **personally sensitive information** you are storing, processing, transmitting or transporting for another entity do not qualify as **affected individuals**. However, specific individuals may qualify as **affected individuals** for another reason, such as being an employee of yours.



- (c) You may have operations, interests or properties that are not insured under this Policy. Individuals who have a relationship with you through such other operations, interests or properties do not qualify as affected individuals. However, specific individuals may qualify as affected individuals for another reason, such as being an employee of the operation insured under this Policy.
- (3) An affected individual may reside anywhere in the world.
- b. (1) **Detrimental Code-Related Compromise** means a **personal data compromise** that is caused, enabled or abetted by a **detrimental code** that, at the time of the **personal data compromise**, is named and recognized by the CERT® Coordination Center, McAfee®, Secunia, Symantec or other comparable third party monitors of **detrimental code** activity.
- (2) All incidents of **detrimental code-related compromise** that are caused, enabled or abetted by the same **detrimental code** will be considered one (1) **personal data compromise**.
- c. (1) **Identity Theft** means the fraudulent use of **personally identifying information**. This includes fraudulently using such information to establish credit accounts, secure loans, enter into contracts or commit crimes.
- (2) **Identity theft** does not include the fraudulent use of a business name, d/b/a or any other method of identifying a business activity.
- d. **Personal Data Compromise** means the loss, theft, accidental release or accidental publication of **personally identifying information** or **personally sensitive information** as respects one (1) or more **affected individuals**. If the loss, theft, accidental release or accidental publication involves **personally identifying information**, such loss, theft, accidental release or accidental publication must result in or have the reasonable possibility of resulting in the fraudulent use of such information.

This definition is subject to the following provisions:

- (1) At the time of the loss, theft, accidental release or accidental publication, the **personally identifying information** or **personally sensitive information** need not be at the insured premises but must be in the direct care, custody or control of:
 - (a) You; or
 - (b) A professional entity with which you have a direct relationship and to which you (or an **affected individual** at your direction) have turned over (directly or via a professional transmission or transportation provider) such information for storage, processing, transmission or transportation of such information.
- (2) Personal data compromise includes disposal or abandonment of **personally identifying information** or **personally sensitive information** without appropriate safeguards such as shredding or destruction, subject to the following provisions:
 - (a) The failure to use appropriate safeguards must be accidental and not reckless or deliberate; and
 - (b) Such disposal or abandonment must take place during the time period for which this Data Compromise Coverage is effective.
- (3) **Personal data compromise** includes situations where there is a reasonable cause to suspect that such **personally identifying information** or **personally sensitive information** has been lost, stolen, accidentally released or accidentally published, even if there is no firm proof.
- (4) **Personal data compromise** includes **detrimental-code related compromise**.
- (5) All incidents of **personal data compromise** that are discovered at the same time or arise from the same cause will be considered one (1) **personal data compromise**.



- iii. (1) **Personally identifying information** means information, including health information, which could be used to commit fraud or other illegal activity involving the credit, access to health care or identity of an **affected individual**. This includes, but is not limited to, Social Security numbers or account numbers.
(2) **Personally identifying information** does not mean or include information that is otherwise available to the public, such as names and addresses.
- f. (1) **Personally sensitive information** means private information specific to an individual, the release of which requires notification of **affected individuals** under any applicable law.
(2) **Personally sensitive information** does not mean or include **personally identifying information**.
- 2. The definition of Detrimental Code contained in Item XIV.A.16. in the Property-Gard Pinnacle Coverage Form - 250000 is deleted and replaced with the following, but only with respect to coverage provided by this Endorsement:
 - 16. **Detrimental Code** means any computer virus, malware, program, routine, sub-routine, trojan horse, worm, script or other code string that damages, destroys, alters or corrupts data or causes a **personal data compromise**, regardless of how such **detrimental code** was introduced or acquired.
- II. This Endorsement is otherwise subject to all the terms, conditions, exclusions, limitations, and provisions of the Policy to which it is attached.

About Allianz

Your insurance company is part of the Allianz Group – an organization with a 125-year history of partnering with clients and delivering exceptional insurance products around the world.

Allianz is the world's largest property & casualty insurance company by revenue and has one of the strongest financial ratings of the leading global property & casualty insurers. The strength of its financial ratings and quality of its people make Allianz the insurer of choice for thousands of mid-size businesses and the majority of Global Fortune 500® companies.

Allianz is also ranked "one of the world's most admired companies" by Fortune and "one of the top 100 global brands" by Interbrand.